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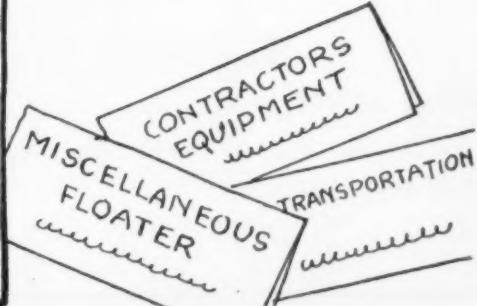
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July 17, 1952
56th Year, No. 29

Five Executives of Pearl-American Group Are Elevated

Gallagher Deputy Mgr.; Jarvis, Weaver, Barry, Chisholm Are Named

A number of changes have been announced in the executive positions of the Pearl-American group by D. J. Cowie, U. S. manager.

Vincent L. Gallagher, who has been assistant U. S. manager of Pearl, becomes deputy U. S. manager of that company. He has also been advanced from vice-president to executive vice-president of Monarch Fire and Eureka-Security F. & M.

Harold K. Jarvis, branch secretary of Pearl, has been appointed assistant U. S. manager and branch secretary of that company and has been elected vice-president of the subsidiary companies. Mr. Jarvis will also continue as secretary of Monarch and Eureka-Security.

Benjamin B. Weaver, manager of the middle and southern departments, and B. J. Oswald, underwriting secretary



A. T. Chisholm



VINCENT L. GALLAGHER

of Pearl, have also been named assistant U. S. managers of that company. They have also been advanced to vice-presidents of the subsidiary companies from their former offices as assistant vice-presidents.

David A. Barry, manager of the Pacific Coast department and assistant vice-president of the subsidiary companies, has been elected vice-president of Monarch and Eureka-Security. He has been assistant vice-president of those companies.

A. T. Chisholm has been appointed assistant manager of the Pacific Coast department and will be transferred to that position from New York. Mr. Chisholm has been assistant underwriting secretary of Pearl and assistant secretary

Big Wharfside Oil Loss on Coast

Newspaper reports put the loss from explosion and fires of the two oil tankers at Union Oil Co. wharf at Oleum in San Francisco Bay at some \$5 million. There were 33 casualties and the skipper of one of the tankers died of a heart attack. One of the tankers that was involved was a 10,000 ton ship called Lompoc and the other was an 8,000 ton ship called Victor H. Kelly. The insurance on these tankers was through Johnson & Higgins.

Oil Association had a loss on property on the wharf that is estimated at from \$300,000 to \$500,000. This insurance is handled by Emmett & Chandler of Los Angeles.

Buyer Seminars Scheduled

American Management Assn. has scheduled its workshop seminars in insurance. The next one will be in Chicago Oct. 8-10, on effective use of business interruption insurance, problems of handling customer losses and customer claims, programs to increase the efficiency of buyer in insurance departments, and analysis of insurable hazards in business operations. Modern insurance buying also will be treated partly in that seminar and in one to be conducted in New York next Jan. 21-23 and April 8-10. In the Jan. 21-23 seminar, planning and preparing insurance records and reports, insurance aspects of employee benefit programs, and proper application of excess, deductible and self insurance will also be treated.

of the affiliated companies.

Mr. Gallagher was educated at Xavier University, Cincinnati; Illinois Tech, and Massachusetts Institute of Technology. He was with Actna Fire and America Fore before his appointment as western manager for the Pearl group in 1935. In 1938 he was appointed assistant U. S. manager of Pearl and vice-president of its subsidiary companies.

Mr. Jarvis attended Fenn College. He started with Monarch Fire in Cleveland in 1930 and worked in a number of departments. In 1936 he was transferred to New York and in 1941 became joint chief accountant of Pearl and assistant treasurer of Monarch and Eureka-Security. In 1945 he was appointed branch secretary of Pearl and was elected treasurer of Monarch and Eureka-Security. In 1949 he was advanced to secretary of the Monarch and Eureka-Security.

D. A. Barry graduated from the University of San Francisco. He entered insurance in 1910 as assistant cashier for the California and later became special agent for Vulcan Fire. After serving in the first world war he became special agent for Phoenix Assurance in northern California and in 1921 became special agent for Fidelity-Phenix. In 1924 he opened the fire department of the Swett & Crawford general agency and in 1934 became assistant Pacific Coast manager for the Pearl group. In 1939 he was appointed Pacific Coast manager and in 1949 was also named assistant vice-president of Monarch and Eureka-Security.

Mr. Weaver was originally with S.E.U.A. and joined National Union in 1911 with which company he served as examiner, special agent, agency superintendent and assistant secretary. He left that company to become assistant secretary of National Liberty, later becoming secretary and vice-president and director of National Liberty, Baltimore American and People's National. He joined Pearl in 1935 as assistant manager of the middle and southern departments

(CONTINUED ON PAGE 20)

Loss \$4 Million in Second Fire at Warner Bros. Studio

LOS ANGELES—The second fire in less than three months damaged the Warner Bros. motion picture studio at Burbank more than \$4 million. The first fire, seven weeks ago, did damage of \$1½ million and the adjustment on that loss still is under way.

The present fire, at first reported to be of incendiary origin, destroyed a 200-foot storage shed containing approximately 2,000 "props," an iron airplane hangar with a number of planes, another storage warehouse 270 feet long, an imitation ocean liner and dock, a Grand Central Station and a New York park, and then leaped outside the studio property and burned 200 acres of scrub brush on the mountain side.

Insurance on the line is practically the same as before the first fire, with only Phoenix Assurance removed from the schedule, in spite of the fact that the inland marine floater was renewed the day following the first fire. Because of the new standard loss clause, the blanket fire and E.C. schedule remains at \$16 million and the floater at \$9,290,000, with more than 50 companies involved, written through Cosgrove & Co. The temporary estimate of loss is divided \$3 million to the regular property line and \$1 million to the floater.

As in the previous loss, adjusters are George A. Lauer of Toplis & Harding-Wagner & Glidden, and Charles Meghan of G.A.B., with Robert Barnard of G.A.B. assisting.

Maritime Unit Sends Out War Risk Instructions

WASHINGTON—Maritime administration officials expect word promptly from the American War Risk Agency that it is ready to proceed with the war risk program under long and detailed instructions sent the agency by Maritime. Instructions called for preparation and approval of special forms for use by the American Agency, or members, acting as agents for Maritime in carrying out detailed operations of the war risk program.

These operations will include issuance of binders assuring shipping interests of prompt war risk coverage if and when a shooting war begins among members of the four powers—U.S., Russia, Britain and France—and commercial marine policy war clauses become effective.



Key figures at the "George Carter conference" of midwest agents and company executives at Chicago: E. H. Born, manager of Western Underwriters Assn.; H. A. Clark, Firemen's, who was chairman on the company side in the absence of E. A. Henne of America Fore, and George Carter of Detroit, who has been the sparkplug of these gatherings for many years.

More Insurers in East Go to 25% Commission

Higher Level Is Not Regarded as Out of Line with Rates in West

NEW YORK—Further developments have occurred in the commission situation in New York suburban. Several companies effective July 1 went to the higher commission scale, the bulk of them to a straight 25%, some of them to 20-25. These are substantial companies, and the question in the minds of most of those interested in the situation is whether or not this move does not presage the 100% adoption of the 25% scale or its equivalent by all companies now operating in the territory. A few of the very large insurers that have been holding out are known to be reconsidering their position and at least a couple of them have lost so much preferred business they are preparing to boost their commissions to meet the competition.

In a part of the metropolitan area, one large company has been paying 20% brokerage for some months. Another large insurer now has joined it in this policy.

So far, the pattern has been that companies which decide to increase their commission scale in New York suburban do it also in the Boston and New England territories, in Pennsylvania, and in Maryland outside of Baltimore (which is an excepted city). So far as can be learned, the raising of commission scales is not so widespread in upstate New York.

Old Scale 20 and 10

The move to higher scales began in the spring of 1951. Some of the large insurers went to a 15 and 25% scale, or a 20 and 25%; one pays 20 to 30%—compared with the old basis of 20% plus a 10% contingent. However, as time has gone on, and more and more companies have come in at the level of 25% flat, the 15 and 20 percents of the 15-25 and 20-25 scales have gradually come to mean less and less. On more and more of the business those insurers are paying 25%. The smaller factors in the graded scale tend to fall into disuse.

Bidding for Choice Risks

Insurers that have been sticking with the former level find that as more and more companies give way, their good business drains off. There is powerful pressure for the choice risks to go to the companies paying the top commission. There are always a few agents who respond quickly to the offer of more money. But even agents who are inclined to be cautious about shifting the flow of volume in their offices, have more or less come to the point of asking themselves and the companies that are holding firm whether or not the situation has not permanently swung to the higher commission level. Loyal agents are indicating that they cannot hold on much longer, that they are going to have to switch renewals. The companies that have been holding out, of course, know that they are not getting (CONTINUED ON PAGE 8)

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(Reinsured 71.42% by The Swedish Reinsurance Company, Aequitas, Ltd., Malmö, Sweden)	(Est. 1944)	Lloyd Marocain d'Assurances. (Est. 1940)
The Private Insurers Ltd., Copenhagen, Denmark.	(Est. 1786)	Compagnie Africaine d'Assurances. (Est. 1950)
The Copenhagen Marine Insurance Association, Ltd., Copenhagen, Denmark.	(Est. 1852)	The Seven Provinces Insurance Co., Ltd., The Hague, Holland. (Est. 1918)
Reinsurance Company, Rossia, Ltd., Copenhagen, Denmark.	(Est. 1918)	The New First Netherlands Insurance Co., Ltd., The Hague, Holland. (Est. 1902)
The Norrland Insurance Company, Ltd., Stockholm, Sweden.	(Est. 1889)	Vanguard Insurance Company, Limited, Sydney, Australia. (Est. 1951)

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Many Proposals Presented at Texas Omnibus Hearing

AUSTIN—Many proposals affecting fire and allied lines were laid before the Texas board of insurance commissioners at an omnibus hearing in a largely harmonious session that lasted only three hours.

The full agenda contained 51 items, 26 being new proposals and the remainder holdovers from the last two years. Of the new suggestions, nine were filed by Texas Insurance Advisory Assn., largely for the purpose of bringing Texas rules into conformity with other jurisdictions; five by Paul H. Brown, fire insurance commissioner and chairman of the hearing, which were admittedly topics for intensive study, and three by Texas Assn. of Insurance Agents.

Mr. Brown set a deadline of Aug. 1 for filing additional briefs, but in one instance—a proposed revision in the farm and ranch manual—allowed an extra month for the briefs.

Changes Agents Request

The new requests from the agents included the following: Revision in business interruption coverage; revision and modernization of forms and rules for improvements and betterments; revised rating schedules for electrical properties; clarification of debris removal clause; minor changes in reporting forms and rules, and substantial rate reductions for livestock on farms, both fire and extended coverage. Likewise the association repeated its requests for a change in the reporting form for multiple locations at average rate so that it would be permitted for use on two or more locations and for the adoption of sprinkler leakage and water damage manuals.

The organized agents filed a request for reduction of the \$100 deductible to \$50 in inland territory which brought the pointed remark from Commissioner Brown: "You had better make it a good one, too." The agents also renewed their request for approval of the additional extended coverage endorsement and suggested study of a plan to use the same rating schedule on all un-protected and farm dwellings.

Filings in "Study" Categories

Commissioner Brown, whose filings fell within the "study" category, insisted that steps should be taken promptly at the municipal level to set up regulations relating to the handling of propane and butane. Another study topic, taken from the agenda of National Assn. of Insurance Commissioners, dealt with the suggested elimination of the wooden shingle or board roof charge from the fire rating schedule. He also urged establishment of standards for drive-in theaters, which now are rated every way from Sunday."

Other filings included a request by Texas Funeral Director & Embalmers Assn. for a separate rating schedule for funeral homes, with reductions in base rates; an amendment to standards on construction of burr burners at cotton gins; a request that term privileges be extended to cotton gin risks, and a request for approval of certain fire extinguishers on cotton mill properties, which now are predominantly driven by electricity.

Big Red River Hail Damage

MINNEAPOLIS — Hail losses up to 100% are reported in the Red river valley in the latest storm to hit that area. In addition to the crop losses many windows were smashed by the hail. The storm did damage in both Minnesota and North Dakota.

Mrs. Katherine Davis was elected chairman of Nashvillle Assn. of Insurance Women at a meeting at which the next year's program was planned, with Mrs. Nora Morris, president, presiding.

Insured Loss in W. Va. Dwarfed by Government Loss

The insurance loss from the fire at Clarksburg, W. Va., will run \$250,000 to \$300,000, according to preliminary estimates. The big loss was on 10,000 tons of crude rubber in the General Storage Co. warehouse, which was government owned and uninsured. Rubber is selling for about 30 cents a pound. General's warehouse building, with a value estimated at \$300,000, had \$50,000 insurance, and another supply building nearby, belonging to Mountain States Fabricating Co., had less than \$50,000 insurance coverage. Five or six railroad cars burned on a siding may cost insurers \$100,000. They were insured in Railroad Insurance Assn. An estimated \$100,000 worth of Carnation milk, a Marsh & McLennan line, was destroyed.

Enter List to Save Scalp of D. C. Department

WASHINGTON — The Washington Board of Trade insurance committee has asked the board to request the District of Columbia commissioners to make no change with respect to the D. C. insurance department in connection with reorganization of the local government, without first giving hearings.

A number of insurance companies and individuals have made similar requests of the commissioners. D. C. officials indicate that before any change is made in the insurance department's status opportunity will be given to interested parties to be heard.

However, insurance industry representatives are inclined to fear that although a hearing will be given, at which the industry will protest depriving the department of independence, the commissioners will then order inclusion of the department, with a more or less autonomous or semi-autonomous status, in another governmental department. Some insurance representatives think that result is about the most they can hope for.

The board of trade committee wants provision made for an assigned risk pool in the D. C. Certain local insurance legislative proposals failed of passage last Congress, but are expected to be reintroduced next Congress.

R. I. Offices Moved

The Rhode Island insurance department offices have been moved to 49 Westminster street in Providence, from the State House.

J. V. Riley, manager of Western Adjustment at North Kansas City, Mo., since 1949, has resigned to open a local agency there. He joined Western in 1945.

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Lower Values, Larger Market in Whisky Cover

**Trend to Reporting
Form Cover Since
It Has Term Discount**

Unusual developments have been occurring in whisky and the insuring of it. For one thing, insurance capacity has increased. In the last year or so the mutuals have come into the field strongly, both the factory mutual group and other mutual insurers. Coincidentally the demand for whisky has declined and outstanding supplies have increased, perhaps more than 25%. This has forced a cut in the selling price, on much of it almost in half.

However, for the most part, insured have not reduced coverage, at least not where the insurance is on reporting form No. 1. As a consequence, something like 100% coverage of whisky is for the first time in the realm of possibility, though there will still be some high value situations where distillers cannot get all of the coverage that they need.

15,000 Policies

In the last year or so there has been occurring a substantial shift to coverage via reporting form No. 1 and away from specific. The reason for this seems to be the appearance of the term discount for the reporting cover a year or so ago. Prior to that time, the specific took the term discount, but not the reporting form cover. The reporting cover is written at 15% commission while the specific takes the going commission in the locality. Another influence has been the desire of insured to get away from so many policies. One insured is reported to have had 15,000 at one time.

Another factor in this movement toward a reporting coverage has been the pressure exerted for some time by the large reporting form writers in an effort to get from insured a higher percentage of values. An insured might have \$1 million blanket on a certain warehouse but would report values under that cover of \$100,000. The remainder of the values there, perhaps as much as \$500,000, would be insured specifically.

Most of the whisky stocks are insured by about half a dozen company organizations, among which is General Cover Underwriters' Assn., and this half dozen pretty much make the market for the business. Competition for both reporting and specific coverage is keen. The mutuals were attracted to the field, it is said, because of the low loss ratio. They have now less than 10% of the coverage on stocks, but have made heavier inroads on building and equipment where apparently their interest is stronger.

I. M. Authority

One new development of the last couple of years which failed to have much of an effect on the market is the authority of companies to write the business through inland marine departments. This had little effect on capacity or competition.

One problem insurers and insured have had under whisky coverage is valuation. Whenever, as now, external circumstances influence the going prices of whisky materially and price instability develops, the question of course is to what value the insurance is tied. For example, a lot of whisky a year or so ago was selling at \$300 a barrel;

today it is selling for \$180 and lower.

The problem for the distillers is the fall-off in consumption as a result of the big increase in taxes. Bootlegging has increased heavily, and apparently consumption has declined somewhat. This means that there is an oversupply, currently, and the effect on prices has been very material. The uncertainty of prices is indicated by the fact that some distillers are putting out good brands of whisky in new brands which can be sold at cheaper prices, the effect being to move the merchandise.

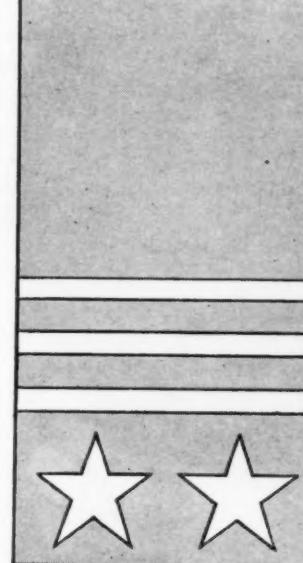
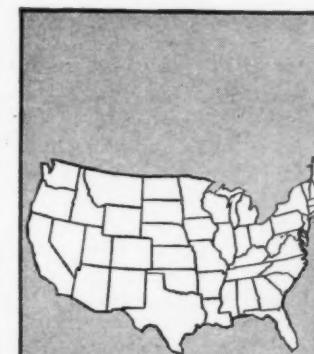
One estimate places the current reduction in the operations of distillers at 65 to 75%.

Underwriters do not seem too concerned about increase in moral hazard as a result of the situation in the whisky field. If any such hazard appears, it is likely to do so in smaller concerns, and there are few of them. Underwriters point out that if the distillers could get rid of the 5- and 6-year old whisky that normally would have moved out of warehouses and into trade channels when it was four years old, they

wouldn't be having their current problems.

The basic difficulty is, of course, that whisky increases in value as it grows in age.

One estimate is that for the next four years production for the country will be 40 to 50 million gallons a year, with consumption of straight whisky about 90 million a year, much of which goes into blend. Declining demand has forced down the price of new whisky barrels from \$25 to around \$23. Bankers have tightened up on whisky loans.



Democracy in the Making



LAMBO



WHEN GEORGE III heard of the French Alliance with the "United States of America," he ordered Parliament to offer the colonies everything they had ever demanded, except independence. Because bribes were widely used in those days, Parliament courted General Joseph Reed, aide-de-camp to Washington, with a large sum of money to influence Congress to accept Britain's suggestion. General Reed answered, "I am not worth

purchasing but such as I am, the king of Great Britain, with all his wealth, is not rich enough to buy me."

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Campbell's Course Changed Seattle President's Field Was Quickly Reversed

Willis L. Campbell, who has just been elected president of General of Seattle, has been with the organization seven years as vice-president and treasurer. On June 18 he resigned to become vice-president and assistant to the president of Georgia-Pacific Plywood Co., but he was released from this position when a program was decided upon to put him in the top position at General of Seattle.

Hawthorne K. Dent, who now becomes chairman of General, organized that company in 1923 and became its first president. During his 29 years as president the assets have grown to \$116 million and the employees now number 1,800.

At the same time, Richard C. Campbell was advanced to treasurer. He has been assistant treasurer. Gordon H. Sweany was elected vice-president and general counsel; Anthony Panella was named vice-president of General Casualty of Seattle and supervisor of surety operations; Harold W. Pigott, vice-president of General Casualty and supervisor of the automobile department, and John G. Price, Jr., vice-president of General Casualty and supervisor of the casualty department.

Joins Watters & Donovan

Chester E. Kleinberg, assistant district attorney of New York county, has resigned to become associated with Watters & Donovan of New York and Washington, D. C., in the general practice of law.

He formerly was chief of the complaint bureau in the district attorney's office, subsequently serving in the indictment

bureau, the special sessions bureau and for the past several years in the appeals bureau.

During 1949 and 1950 Mr. Kleinberg directed an investigation of organized rings of automobile thefts in New York and adjoining states, which resulted in the indictment and conviction of the ringleaders of several such rings and the recovery of hundreds of automobiles. He also participated in various arson cases, including the recent prosecution and conviction of a loft owner for first degree murder as the result of arson, as well as several well known cases involving embezzlement and forgery.

Further Delay Is Met

WASHINGTON — Inauguration of the government's marine war risk program is delayed further due to work on proposed instructions to underwriting agents. These instructions concern accounting by the agents who will act for the Department of Commerce in issuing war risk binders.

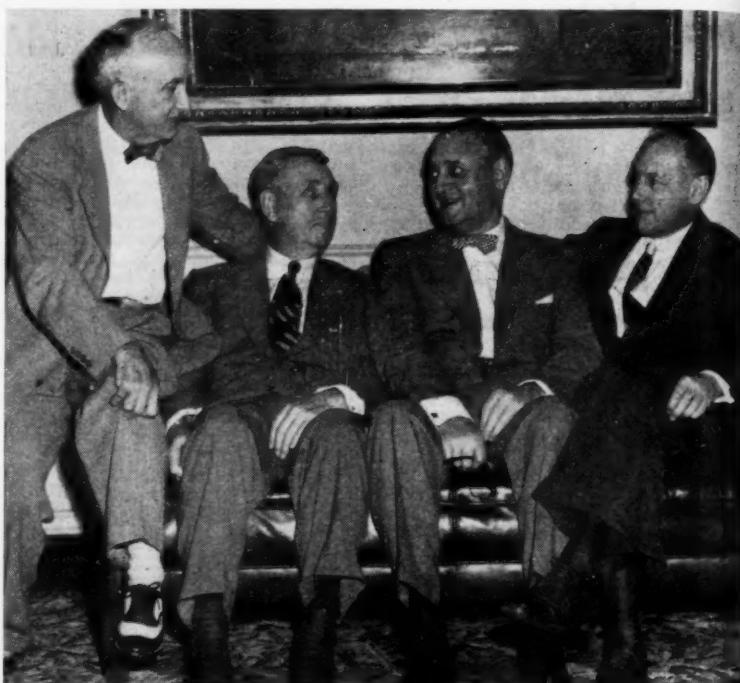
The latter are ready to go out and it had been hoped the program might be inaugurated as of July 1. It is now over a year since Congress authorized the war risk program as an "emergency" measure.

Set M. L. Hearing in Ky.

The Kentucky department has set a hearing for Frankfort July 29 to discuss multiple location coverages and problems, with especial attention expected to be given to whisky and tobacco.

New Blackstone Head

William T. Brightman, Jr., executive vice-president and a director of Blackstone Mutual Fire, has been elected president and treasurer of that company to succeed Charles E. Rigby, who retired after 47 years with the Factory Mutual group, of which Blackstone is



Will Johnston, Memphis; Leonard Peterson, Home vice-president; Ray D. Warner, Fargo, N. D., and W. E. Newcomb, Great American western manager, at the midwest conference at Chicago.

a member. He started with the Factory Mutual engineering division at Boston, going to Blackstone in 1911 and becoming president in 1937. He continues as a director of Blackstone and several other companies in the group.

Mr. Brightman also started with the Factory Mutual engineering division and was with What Cheer Mutual before joining Blackstone.

Has Success with Reducing Deductible Collision Cover for Safe Drivers

Republic Indemnity of Arizona is using a special form of reducing deductible automobile collision insurance. New insured have collision on a \$50 deductible basis. Amount of the deductible is reduced \$5 each six months during which the insured has no losses. A "safe driver" can have full coverage after five years at no additional charge.

Experience has been good over a period of three years and the reducing coverage, originally optional, is now standard procedure with Republic. Whether renewal is by certificate or policy, the safe driver endorsement is to the original effective date if the insured has had no losses.

New 1952 Indiana Handbook Has Just Been Published

The new 1952 Underwriters Handbook of Indiana has just been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance over the entire state.

Premiums and losses by lines, in Indiana, for all fire and casualty companies, and life insurance paid for and in force by life companies, are also presented in a special statistical section. Copies may be obtained immediately from the National Underwriter Co. at 420 East 4th street, Cincinnati 2, O. Price \$12 per copy.

Two Join Rogers Agency

Walter B. Crooks, who has been in the Minnesota field for Automobile of Hartford, has joined the Frank S. Rogers general agency of St. Paul as special agent.

Robert J. Demuth, who has been with St. Paul F. & M., has joined the general agency as fire underwriter.

Ill. Tax Revenues Up

The Illinois department during the fiscal year ended June 30 collected revenues totaling \$18,747,741, which compares with \$16,958,969 for the previous fiscal year. Of this amount \$16,995,493 came from the premium tax.

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W.U.A. PR Team Holds Pow-wow

About 40 took part in the public relations conference of field club chairmen at Western Underwriters Assn. headquarters at Chicago Monday and Tuesday. There were morning and afternoon and luncheon sessions each day and a banquet Monday at Union League Club. W. G. Dithmer, public relations director of W.U.A., opened up and J. G. McFarland of American, chairman of the W.U.A. public relations committee, presided. There was an agenda of 19 items with all members of the W.U.A. public relations committee on hand along with the W.U.A. staff, and guests from Western Actuarial Bureau. C. R. Welborn, president of Underwriters Laboratories, was the dinner speaker.

Enthusiastic reception was given to the new exhibit of W.U.A. for national trade conventions. This was prepared under the direction of Mr. Dithmer and the public relations committee. It is a well styled and finished display of wood and plexiglas with words and figures appearing in succession on five panels when a lever is pulled on a stand resembling a fire alarm box. There is inset a fire engine which sounds a bell while the display is activated and then the words and characters on the panel are directed to the promotion of the sale of adequate insurance to value. This makes use of the audience participation principle.

The first showing will be at the Minnesota State Fair Aug. 23-Sept. 1, and two field men will be at the booth at all times. The next showing will be at the Mortgage Bankers Assn. of America convention at the Conrad Hilton hotel, Chicago, commencing Sept. 29.

Patrick Fitzpatrick Goes to Big Boston Agency

Patrick Fitzpatrick is resigning as secretary of Home to become operating vice-president of Boit, Dalton & Church of Boston. He will work with Alexander J. Beaton, operating secretary, in the management of the marine department.

Mr. Fitzpatrick joined Home in 1937 as marine supervisor at St. Louis after some years of home office and field work. He served later as marine manager at Philadelphia. He was elected assistant secretary in 1951 and secretary last January. He has spoken before many agents associations on marine matters and has been active in marine insurance organizations. In Philadelphia he taught the C.P.C.U. marine courses and was first skipper of the Marines.

New Ohio Tax Ruling

The attorney general of Ohio gave an opinion Tuesday that federal securities owned by domestic insurers should be included in the capital and surplus of the company in computing the state's franchise tax on such companies. Insurance officials state that the effect of this opinion is that taxes on domestic companies will be computed the same as before and that the Wren case recently decided by the

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Ohio supreme court does not alter the status of calculating taxes by domestic companies. In the Wren case it was held that federal securities held by corporations should be excluded in computing franchise taxes. Some insurance men had raised the question whether the same ruling would apply to insurance companies.

Commingling Violator Fined

Superintendent Bohlinger of New York has imposed a \$100 fine on Howard Winship, Inc., of Buffalo,

James R. Vaughn, assistant secretary sub-licensee, following an investigation that revealed that the corporation violated the commingling regulation.

do not correctly state the law." He said circulation of the pamphlets is in violation of Nebraska law.

Phila. Annual Meeting Oct. 7

Insurance Agents & Brokers Association of Philadelphia & Suburbs will hold its annual meeting Oct. 7, with the first annual banquet in the evening.

C. H. Fisher, Iowa agent for more than 30 years, has sold his agency at Indianola to his son-in-law, J. C. Hickman, and has retired.

Sears' well-established reputation for high quality at low cost has been gained through astute purchasing and efficient operation. The same sound policy was applied in choosing electric protection service for the tremendous stocks of merchandise in Sears' properties throughout the country.

Like thousands of progressive business concerns, Sears found that appropriate combinations of ADT Automatic Protection Services give a higher degree of protection at lower cost.

Mail order houses, warehouses and larger stores from coast to coast are protected automatically by

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Automatic protection services for these establishments include: Sprinkler Supervisory and Waterflow Alarm; Aero Automatic Fire Alarm; Burglar Alarm; Automatic Heating and Industrial Process Supervision.

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David T. Marantette of Detroit; Clarke Smith, Royal-Liverpool U. S. manager; George A. Timm, Kenosha, Wis., and Charles E. Dox, London & Lancashire western manager, at the "George Carter conference" at Chicago.



R. S. Olsen Wins Ohio Public Relations Award

For outstanding service to stock fire insurance during 1951-1952, Roger S. Olsen (left) of Columbus, was presented the Sami Coldwell memorial award at the annual meeting of Ohio field men at Uniontown, Pa.

Mr. Olsen is state agent for Continental and is president of Ohio Fire

print, and suggested that the exceptions appear on the face of the policy immediately after the insuring clause and in the same size type.

Exceptions and exclusions ought to be at a minimum, and by uniform legislative enactment the policy should be standard throughout the country, wherever possible, for each kind of insurance written.

The work of an adjuster will be more interesting and his life much happier when this Utopia arrives, Mr. Porter declared. He said that many of the adverse reactions toward insurance stem from misunderstanding about the policy and its coverage, and this is largely due to the fact that the policy is difficult for the average person to read, and even more difficult to understand.

A policyholder has no idea as to the wording of his policy, and when he is refused payment on grounds which he regards as purely technical, he feels that he has not had a fair deal from the insurance business as a whole. His frustration and disappointment create a demand for socialization, Mr. Porter said, and that is why the adjusters should be interested in correcting the policies as soon as possible. While there is little criticism that is properly aimed at insurance in financial matters or management, there is criticism of the insurance product, he said.

He characterized the difficulty with the present contract as the result of the efforts of underwriters and actuaries and lawyers to adapt the original form to changing conditions by trying to meet each demand for coverage by inserting new language in the already complex policy.

Fitzgerald to Chicago

Agricultural has appointed Thomas P. Fitzgerald special agent to assist Manager Paul B. Olinger in Chicago and northern Illinois. He joined Agricultural in 1937 and has been at the home office since then except for four years in service. He was in the automobile department and for the past five years has been examiner in the western department.

Russell Foster has sold his interest in the Foster agency at **Candenton, Mo.**, to his partner, Wyatt Hill.

Urge Drastic Changes in Fire Policy Language

W. Edgar Porter, Salisbury, Md., attorney, addressing National Assn. of Independent Adjusters at White Sulphur Springs, recommended that the fire policies are in drastic need of rewriting. He said the old form should be discarded and historic expressions and unusual words eliminated. Mr. Porter advocated the abolishment of small

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Aetna Tells How Output Policy Was Generated

"The Messenger," which is the house organ of Aetna Fire, tells as follows about the circumstances that led to the introduction of the manufacturers output policy which is such an important factor in the field of multiple peril underwriting development:

Intense speculation is rife in the insurance business today over the real meaning of the multiple peril laws which have been enacted in 46 states, the District of Columbia and Hawaii. Only Arizona and Ohio have failed to pass multiple peril legislation of some sort. There are certain company executives who favor a restrictive interpretation of the laws and as many more who believe in a broad interpretation of them.

The first group contends that the new laws merely mean that now a fire company can write casualty policies and a casualty company can write fire policies.

The second group, which includes the Aetna, believes the new laws must have a broader and deeper significance if they are to substantially benefit the public. Convincing that the old classifications of business can live in harmony with the new multiple peril classification, this group is reorganizing its operations on the belief that new types of policies better suited to the public needs in our rapidly changing economy should and can be developed.

It is the opinion of many proponents of the broad view that "the forgotten man of the insurance business—the assured who pays the premium and furnishes the grist which keeps the insurance mills grinding—is gradually emerging from the shadows." These company executives believe that those who pay the premium should get what they want, providing the want can be

supplied in a practical and sound manner. It was this conviction which first led the Aetna into the field of multiple peril underwriting and resulted in the development of the manufacturer's output policy, the first major product of multiple peril underwriting.

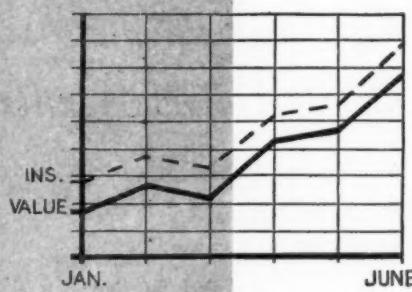
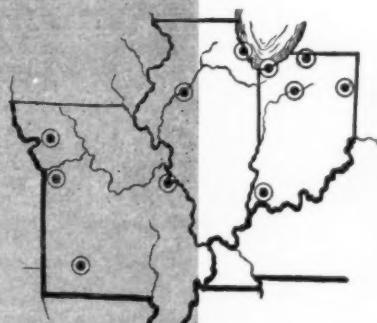
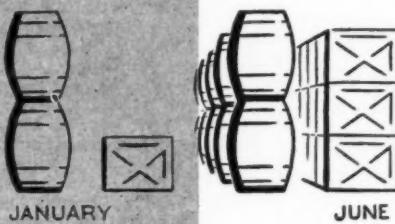
Work on the new policy began in 1947 during the moratorium which had been granted the companies by Congress to get their affairs reshaped under the impact of the S.E.U.A. case. Like all companies, the Aetna was bringing up for review any unusual policies which had been written prior to the tightening up of regulations and which needed to be cancelled or re-formed. Among these unusual contracts were four policies which the automobile department had been writing for some years, called "automobile output policies." All special

typewritten forms, they were uniform to the extent that they covered practically all of the assured's personal property away from manufacturing premises, not only automobiles, but patterns, dies, raw and semi-finished materials, fuel supplies, office furniture and fixtures and warehouse stocks of spare parts and accessories, to list the main categories.

At that point, Secretary Baxter Gentry, then a manager in the New York department, was asked if it would be possible to take over and continue the

(CONTINUED ON PAGE 22)

GLENS FALLS EXTRAS



EVERY INSURANCE AGENT has his problems. One of them arises when a client asks for insurance on a stock of merchandise which fluctuates widely in value. Quite often a stock is located in several states and develops a tremendous value. The modern method of providing enough and proper insurance for such a risk is to secure a Multiple Location form policy with monthly reports of value. Glens Falls agents are fortunate because our General Cover Department is geared to write such policies in large amounts. The Multiple Location policy, or any of the other General Cover forms, protects the insured at all times, regardless of fluctuation in value. In other words, the policyholder pays for only those amounts of insurance which are needed to match the value. In addition, the General Cover Department provides an audit service which often results in a further saving to the insured.

Our agents know and appreciate that Glens Falls Extras are profitable to them.

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Confer on Plans for Midwest Parley



During the noon hour at the "George Carter conference" at Chicago, these three leaders in midwest conference of N.A.I.A. got their heads together on plans for the meeting next February at Detroit. Arthur M. O'Connell of Cincinnati, the immediate past president, is at left; A. G. Harrison, Louisville, the present chairman, is in center, and H. W. Huttonlocher of Pontiac, who is chairman of the 1953 meeting, is at right.

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July 17, 1952

July 17,

KANSAS CITY FIRE & MARINE INSURANCE COMPANY

Announces with pleasure the appointment of the following general agents

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CHARLES H. GORDON & SON
Manchester, New Hampshire

H. GRADY TURNER & SON
Columbia, South Carolina

GEO. E. EDMONDSON & CO.*
Tampa, Florida

MAGNOLIA GENERAL AGENCY
Jackson, Mississippi

MARION N. WATSON & CO., INC.
Atlanta, Georgia

LEWIS LEDSINGER, INC.
Atlanta, Georgia

R. SPENCE PORTER
Lexington, Kentucky

GEORGE J. LEONARD, JR.
Madison, Wisconsin

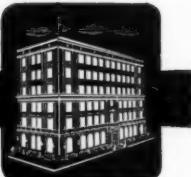
*When admitted in state

Kansas City Fire and Marine

Insurance Company

301 West 11th Street

• Kansas City, Missouri



More Insurers in East Go to 25% Commission (CONTINUED FROM PAGE 1)

as much, if any, of good new business their agents are developing.

It is true that a well established agency with good production that has good relations with its companies hesitates to do much to make radical changes in its distribution of business to companies. It has taken a long time to get this distribution worked out satisfactorily to the agent and his companies. The agent knows that certain insurers appreciate especially certain classes of business, and that if he gives those companies that kind of business, there are favors that they can return to him in the way of special help and consideration with his problems. Nevertheless, if more and more companies are paying 25% flat, he is not going to be the last one to take advantage of it.

For the underwriter, of course, the very worst thing that can happen is to lose a good risk. The insurer may never get it back, once it has shifted to another company. It takes a long time to put such risks on the books, and they are a long time off once they leave. The drain of good business means that his total volume is getting out of balance. This is a hard thing to tell in the early stages; it may have happened before he can actually prove it with respect to many agency accounts. But either by test checking at the home office, by the field men's testing the matter on the ground, he can tell he is losing preferred business. As time goes on, he will get more and more of the poor business and less and less of the good.

Scale About That of the West

One point made in connection with suburban New York is that compared with the west and south, the commission scale is regarded as low. Most of the business in suburban New York is dwelling business, and it has been taking a 20% commission. In the west, where the graded scale 15-20-25 is customary, the 25 is paid for dwelling business. This is true also in Pennsylvania ordinary territory. There, apparently, business is on the swing to companies paying 25%.

There is little, apparently, that fire company executives feel that they can do about the situation. When the condition of higher commissions becomes prevalent, the whole business is apt to go. In this connection it is interesting to note that Mississippi, Louisiana, and New Jersey have laws which exert some control of commissions. In Mississippi the insurance department calls

for an indication by the fire insurers each year of the commissions they are going to pay. These replies then are totaled and the commissions put down by the majority are the ones made effective for the following year. In Louisiana, the practice is somewhat similar.

New Jersey has a law which requires an insurer to pay the same commission to all agents that it pays to one agent; there can be no variations in commission scales. Agents and companies appear to get along very well with all three state laws, and it is interesting to note that there has been no commission disturbance in New Jersey during the time that adjacent New York has been undergoing its change.

G.A.B. Has Coast Changes

Donald C. Duff has been appointed adjuster in charge at El Centro, Cal., for General Adjustment Bureau to succeed C. C. Chambers, resigned. Mr. Duff joined G.A.B. in 1945 at Long Beach, Cal., and later served at Baker, Ore., and San Luis Obispo, Cal.

Robert E. Romans, manager at Las Vegas, has at his own request been relieved of that assignment and becomes staff adjuster at San Diego. Charles F. Henze of the Phoenix staff replaces Mr. Romans at Las Vegas.

Roy R. Manion has joined G.A.B. at San Francisco. He has been an adjuster since 1927, starting with America Fore. After service in the army in 1944 he opened his own adjusting office at San Francisco, specializing in inland marine.

Founders of Los Angeles has moved its Dallas office to 501 Wilson building.



E. D. Lawson, vice-president and western manager of Fireman's Fund, and Hugo LaRue, secretary in the western department of America Fore, confer during an interview at "George Carter conference" at Chicago.

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Home Dedicates Its New Building at Wilmington

Home dedicated its new building at 907 Washington street, Wilmington, Del., last week at an official housewarming for agents and brokers which was followed by a reception for the guests at the Hotel DuPont.

John B. Moore, manager at Wilmington, served as host to the guests who included officers of the company from New York and Philadelphia as well as agents and brokers from over Delaware and the eastern shore.

Aircraft Products Liability Problems Are Discussed

WASHINGTON—The Defense Department insurance advisors board held a hearing and conference July 11, with representatives of Aircraft Industries Assn. on products liability coverage problems with relation to aircraft in operation.

Members of this industry want government reimbursement for cost of such coverage. They presented statements, arguments and data in support of their position. No decision was arrived at, however, insurance director Thomas Kane said.

Some 35 people attended the meeting, which was called at request of the aircraft association. They included besides Mr. Kane and the 5-man advisory board, officials of insurance divisions of the three military departments.

Miami Beach Men Cough Up

A drive to enforce collection of the \$15 occupation tax from fire and casualty agents at Miami Beach has resulted in producing revenue of about \$5,000 since March, according to the office of the tax collector of that city. The drive ensued when A. G. Wright, representing Florida Legal of Municipalities, offered to go after the agents for this tax giving the city 50% of the receipts, taking 12½% for himself and giving the rest to the Florida League. However, the city council decided to proceed on its own and Councilman Melvin J. Richard took the lead in this.

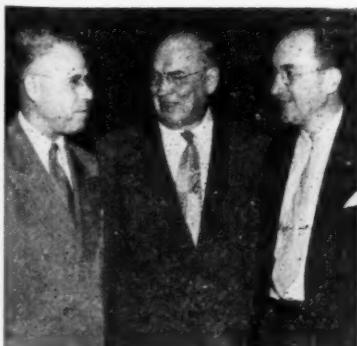
Honored for Long Service

Charles E. Terry, who has represented Niagara Fire at LaMonte, Mo., for more than 50 years, was presented an engrossed scroll by State Agent Harvey L. Krauss of Kansas City.

Jesse L. Sipe, local agent at Alton, Mo., who has represented Fidelity-Phenix for 25 years, also received a similar scroll.

New Insurance Investments

Shareholders Trust of Boston reports that new money was invested during the June quarter in the stocks of American Reinsurance and Springfield Fire & Marine. At June 30 Shareholders Trust had 1,000 shares of American Reinsurance, 625 Continental Insurance, 700 Fidelity-Phenix and 1,000 Springfield F. & M.



Rush W. Carter, Aetna Fire western manager; George A. Thompson, Minneapolis, and Willard G. Lauterbach, Columbus, local agents, at Chicago for the midwest conference of agents and company men.

A Message of Importance to all Insurance Producers

Stockholders' Protective Insurance, as announced in the National Underwriter, the July issue of American Business and many other publications, is presently available only through a nationally known and highly respected direct writing casualty insurance organization.

For the **first time**, the insurance salesman can tell his corporate policyholder the amount of liability insurance to purchase—and know that he has not over or under sold him—Stockholders' Protective Insurance is the yardstick for selling public liability insurance.

More than fifty of those companies that operate through the American Agency system have had the opportunity and many have declined to make it available to you. This covers the field from some of the largest to those in the youngest and smallest classes.

This is certainly not to imply any criticism; rather, most, if not all, of those companies are members of established governing organizations and the "Wheels of the Gods grind exceedingly slow" when it comes to developing such a far reaching innovation.

It is the plan of this insurance that it will apply on an excess basis and the major premium volume, therefore, will continue to go through the channels that you presently use or contemplate using.

Financial interests for which I am attorney will organize and develop a company of sufficient size to provide this excess insurance, **providing** you insurance producers will express, by letter or telegram, your definite interest therein.

The greatest appeal is to the shareholders in the smaller corporations and thousands of these are to be found in the smaller cities and towns. It follows that the decision to provide risk capital would depend, almost entirely, on the response from the producers in these localities.

It is urged that, if interested, you express yourself **NOW**. It requires time to complete the organization and the following formalities of seeking admission to do business in these forty-eight states and the District of Columbia.

I will accept written applications from top flight and well seasoned men interested in heading up the underwriting operations.

I respectfully request that you refrain from telephone or personal calls.

Henry V. McGurren
111 W. Washington
Chicago 2, Illinois

W. Va. Agents Are Resigned to Sales Tax Liability

The West Virginia agents apparently can see no way to get relief from the decision of the state supreme court that they are subject to payment of

the state sales tax on their commissions on fire and casualty business. This decision was unexpected and came as a decided shock. In West Virginia this tax has to be absorbed by the seller. Of course the bite is not large, but it is just another nick that comes along and it involves a lot of record

keeping, etc. West Virginia is the first and only state to make agents' commissions subject to sales tax. Leaders among the agents are, at least at this stage, not optimistic on the chances of getting an amendment to the law that would exclude their commissions from this tax.

J. P. Royston Is Elected Vice-president of A. I. U.

John P. Royston, former chief of insurance of General MacArthur's occupation staff in Japan, has been elected a vice-president of C. V. Starr & Co. and a vice-president of American International Underwriters. He recently returned from Japan where he was for three years resident vice-president of A.I.U. While in this post he was elected vice-chairman of the joint committee of Japanese & Foreign Non-Life Insurance Assns., the first American to be elected to an executive position in that organization.



J. P. Royston

He started in insurance in 1926 as an agent of Hartford Accident. He joined Travelers in 1927 and until 1933 was a claims adjuster in Connecticut and New York. From 1933 to 1935 he was claims manager in southwest Connecticut for Royal-Liverpool. From 1935 to 1941 he was Connecticut insurance department deputy and research director. He was general manager of the savings banks life insurance system of Connecticut in 1941. He departed for Japan in 1946.

As chief of insurance of General MacArthur's staff in Japan from 1946 to 1949, Mr. Royston supervised the post-war rehabilitation of the Japanese insurance industry, and assisted in the post-war revision of the Japanese insurance laws.

In his new post Mr. Royston's special responsibility will be liaison work with governments, especially their insurance departments, in the U. S. and abroad, for A.I.U. and affiliated companies, on matters arising out of their worldwide insurance activities.

"Why Buy from an Agent?"

Peru (Ind.) Assn. of Insurance Agents used an 8" x 13" newspaper advertising space to present the prize winning essay by Mrs. Helen Benson Nentwig on "Why Should I Buy My Insurance from an Agent or Broker?" for which she was awarded a \$100 war bond by Insurance Assn. of Los Angeles.

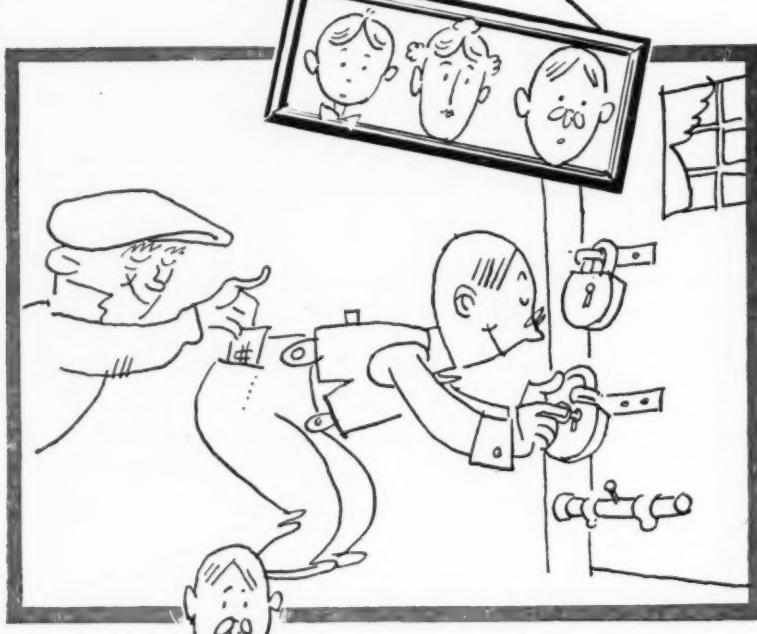
Mutuals May Add Wind

Town mutuals of northwestern Wisconsin are considering plans for re-insuring wind risks. At a conference at Chetek, President L. G. Keeney of Farmers Mutual Reinsurance of Grinnell, Ia., outlined a plan which would enable the town mutuals to provide wind insurance with fire, at a favorable rate, in a non-assessable policy and without involving fire insurance funds.

Such a package policy has been considered by town mutuals for two years.

Home Mutuals of Appleton, Wis., have taken over four floors and part of the basement of the former home office building of Aid Assn. for Lutherans, which has moved into its new 10-story home office.

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You can be as careful as can be—yet lose a pretty penny in a burglary. Even 10 locks won't stop a clever thief. The protection all families should have is an L. & L. Residence and Outside Theft Policy.



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NEWS OF FIELD MEN

New Ohio Field Officers Elected

At their annual meeting at Uniontown, Pa., new officers were elected by Ohio Fire Underwriters Assn. and Ohio Fire Prevention Assn. There were about 100 field men at the three-day business and social sessions.

New president of Ohio Fire Underwriters Assn. is Roger S. Olsen, Continental, and the fire prevention president is Verne Hart, Aetna Fire.

Other officers of the fire underwriters group are: Vice-president, Robert W. Leedy, U. S. Fire; secretary, William A. Gibson, Jr., North British. Helen Earl was named executive secretary. Mr. Olsen, the new president, succeeds Harold D. Smith, Glens Falls.

The executive committee of Ohio F.U.A. consists of Glen F. Graf, Hanover, chairman; W. C. Welsh, Hartford Fire; Walter Hilton, National Union; Charles E. Miller, Scottish Union; Robert Sewell, Royal-Liverpool, and Frank Leonhart, Jr., U. S. Fire.

Besides Mr. Hart, the fire prevention officers are: Vice-president, Frank J. Weber, Loyalty group; secretary-treasurer, Robert W. Leedy, U. S. Fire; executive committee chairman, Paul E. Smith, American. Helen Earl was made executive secretary.

Gorham Retires, Campbell Heads Home Field Operation in R. I.; Wray Transferred

I. Warren Gorham, state agent for Home in the National Liberty division at Providence, has been placed on the inactive list. His duties will be assumed by Warren R. Campbell, state agent, who will now supervise Home's entire operations in Rhode Island.

Mr. Gorham began his insurance career as an underwriter. He entered service in the first war, and upon his return he served as a field man. In 1929, he joined National Liberty as a special agent in western Pennsylvania. In 1939, Mr. Gorham was transferred to Rhode Island to supervise National Liberty's operations.

Mr. Campbell joined Home in 1927 as a special agent at New Haven. Later transferred to Providence as a special agent, he was appointed state agent there in 1938.

Special Agent Alexander H. Wray

has been transferred from San Francisco to Providence where he will be associated with Mr. Campbell. Mr. Wray, with Fire Companies Adjustment Bureau at Burlington, Vt., before joining Home in 1947, was a staff adjuster and later special agent at San Francisco.

O'Neal Wash. State Agent of Providence Washington

Providence Washington has named Robert F. O'Neal agent in Washington. He succeeds Elmer D. Solness, who has joined the insurance department of Henry Broderick, Inc., at Seattle.

Mr. O'Neal attended Portland University, Gonzaga and Oregon State College, majoring in engineering. He served in the navy and was with Oregon Insurance Rating Bureau 1947-1949, when he became special agent of Fidelity & Guaranty in Oregon. For the past two years he has served as engineer of Providence Washington in Oregon and Washington.

Plan Fire Prevention Week Contests for Smaller Towns

To stimulate and encourage Fire Prevention Week activities in the smaller towns of the state, Kansas Fire Prevention Assn. has announced contests for towns up to 2,500 population, those from 2,501 to 7,500 and 7,501 to 15,000. Four trophies will be awarded in each group. Towns of over 15,000 submit their Fire Prevention Week reports direct.

The town inspection committee headed by H. R. Joyce, National Union, Wichita, has announced inspections for Harper and Kingman in September and a two-day inspection of Dodge City in November. Others will be announced later.

The fall meeting of the association has been set for Oct. 14 at Topeka, immediately preceding the annual meeting there of Kansas Assn. of Insurance Agents.

Rollings, Hurst to Wyoming

Fireman's Fund has transferred Robert R. Rollings and Gordon Hurst from Colorado to Wyoming as special agents for casualty, automobile and fire business. Mr. Rollings joined Fireman's Fund in Colorado in 1951 after serving with the Mountain States Inspection Bureau. Mr. Hurst has been in the head office at San Francisco and later served in the Oakland and Denver service branches.

R. L. Hutchinson in Charge

Robert L. Hutchinson has been placed in charge of New Hampshire and Vermont territory of North America with headquarters at Manchester, N. H. He succeeds Charles H. Gordon, who resigned to form the general agency of



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Charles H. Gordon & Son, to become field representative of Kansas City F. & M. Mr. Hutchinson was Mr. Gordon's assistant for the past two years. Mr. Gordon was with North America 27 years. He is a director of the Suncook, N. H., Bank.

McQuade to Hartford in Cal.

Hartford Fire has appointed Charles J. McQuade as special agent in the southern California territory with headquarters at San Jose.

Mr. McQuade has had 23 years' experience in the fire business as an underwriter and field man, most recently with Founders of Los Angeles.

He succeeds Carl Benson, who has resigned to become a partner in the Hook & Logan agency at Mountain View, Cal.

Cleveland Field Groups Elect

Cleveland Field Club and Western Reserve puddle of Blue Goose have elected new officers. Now heading the field club are: President, R. J. McCloskey, North America; vice-president, C. L. Hurlbut, Aetna Fire; secretary, Gordon Reffoy, Western Adjustment; treasurer, H. Y. Bain, Glens Falls.

The Western Reserve Blue Goose officers are: Big toad, Phil Cohan, independent adjuster; polliwog, Claire Dun-

bar, Northern of New York; croaker, Andy Wert, Factory Association, and bouncer, Mervin Buelow, Great American.

Aetna Promotes Mowatt, Four Named in Field Shifts

John L. Mowatt, Jr., state agent in eastern Michigan for Aetna Fire, has been promoted to the western department offices at Chicago as agency superintendent. A number of changes in the field have been made, with George K. Simpson, special agent at South Bend, Ind., transferring to Detroit to replace Mr. Mowatt as state agent.

Mr. Simpson has been with Aetna since 1939 and has served in the Ohio and Indiana fields.

Fred Anderson, who for five years has been in the Kentucky territory, succeeds Mr. Simpson at South Bend, becoming state agent.

L. L. Morgan, who has been traveling for the farm department in Kentucky, now is to handle recording business succeeding Mr. Anderson. Thomas Troope, who has been in the western department at Chicago, becomes special agent for the farm department in Kentucky.

Ray Swenson Joins National Fire in Northern Illinois

National Fire group has appointed Ray S. Swenson as state agent in northern Illinois to succeed G. R. Harvey, who has gone into the local agency business at Rockford.

Mr. Swenson has been northern Illinois state agent of Loyalty group, and prior to that was with Illinois Inspection Bureau at Rockford. His headquarters will continue at Rockford.

Vick's Territory Expanded

Kenneth M. Vick, state agent in northeastern Illinois for Firemen's, Girard Keystone Underwriters, Pittsburgh Underwriters, and Commercial and Metropolitan Casualty of the Loyalty group, has taken over the entire northern part of the state as state agent, replacing in northwestern Illinois Ray S. Swenson, who has resigned. Mr. Vick's headquarters will continue at Rockford.

Loyalty Has Iowa Changes

Maurice D. Koon, Iowa state agent of Firemen's of Newark, has resigned. W. E. Henson, who has been state agent in Iowa for Girard and Keystone Underwriters, has been named state

agent for Firemen's, and Willis P. Friend, who has been special agent in Iowa, becomes state agent for Girard and Keystone Underwriters. Their headquarters will be at Des Moines.

Meyer Named in N. M.

William F. Meyer has been appointed state agent in New Mexico for Firemen's and Girard of the Loyalty group, replacing Richard M. Cottrell, who has resigned. Mr. Meyer has been in the western department at Chicago in the casualty underwriting department.

Lamar Joins American

American has appointed Robert V. Lamar special agent in Arkansas. He has been in field and agency work in that state.

Name Lamer in So. Cal.

Fire Association has named John P. Lamer as successor to George M. Carlson, southern California special agent. Mr. Lamer for several years has been with Pacific Fire Rating Bureau at Los Angeles.

Leftersson Kan. State Agent

Stephen L. Leftersson, formerly at St. Louis, has been transferred to Topeka as Royal-Liverpool state agent. He succeeds Robert W. O'Brien, who was recently transferred to Kansas City after five years in the Kansas field.

COMPANIES

C. E. Kolb Is Named General Adjuster for Home

Home has appointed Clifford E. Kolb as general adjuster. He has been assistant general adjuster since 1941 and from his headquarters in Philadelphia now supervises the activities of adjusters operating from Philadelphia and from field offices at Pittsburgh, Harrisburg and Wilmington.

Mr. Kolb has been with Home for 48 years, starting at Philadelphia. In 1918 he was appointed manager of the industrial department in Jersey City, returning to Philadelphia in 1920 as a staff adjuster.

In 1926 Mr. Kolb became manager of the Philadelphia loss department. Under his supervision, the Philadelphia loss department has grown to be one of the largest company manned adjusting departments in the east.

Make Way an Official

American has elected Pennington H. Way, Jr., an assistant secretary, effective Sept. 1. Mr. Way is assistant manager at Philadelphia.

Mr. Way graduated from the University of Pennsylvania in 1937. He entered insurance after graduation as a loss adjuster and later became a special agent. During the war he served for five years with the army. He returned to insurance as a special agent for Fire Association and later for Aetna Fire.

In 1948, Mr. Way joined American as a special agent in the Philadelphia metropolitan territory. He was appointed assistant manager there in 1951. He is a C. P. C. U.

Utah Home Fire Financing

Utah Home Fire of Salt Lake City has increased its capital from \$700,000 to \$800,000 by the sale of additional \$10 par value stock at \$20 per share. Thus there was also a contribution of \$100,000 to net surplus.

Founders Advances Two

Dudley V. Allen has been appointed assistant underwriting manager and James R. Collings chief statistician of Founders of Los Angeles.



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TWO NAMED BY KURT HITKE

Stanley Russell, who has been assistant secretary of Reserve of Chicago, has joined Kurt Hitke & Co. agency. William K. O'Connor in the compensation and public liability underwriting department.

Mr. Russell's insurance career started in 1925 with Continental Casualty, and later he was with Bowes & Co. and Standard Surety & Casualty. He went with Reserve in 1946 as manager of the automobile liability department.

Richard H. Cook has joined the Hitke organization as assistant branch office manager at Atlanta. Mr. Cook was in the army air force before going with Virginia Surety at Toledo as assistant manager of the underwriting department.

BROOK SURPLUS LINE SECRETARY

Herbert C. Brook has been named secretary of Illinois Surplus Line Brokers Assn., replacing the late David J. Kadky. His name is to be substituted in the service receipt clause on all Illinois surplus line contracts.

G. E. MOREAU IS HONORED

G. E. Moreau, retiring Chicago manager of St. Paul F. & M., was honored at a luncheon given by Moore, Case, Lyman & Hubbard agency last week at Chicago Athletic Club. George Hoope of the agency's fire department presented Mr. Moreau with a specially designed fire policy with special endorsements carrying the best wishes of his

friends and other interesting personal congratulations from those present. Mr. Moreau was also given a complete wooden salad service by the agency.

Present from the St. Paul group were C. F. Codere, chairman of the board; A. B. Jackson, president of St. Paul F. & M., and M. D. Price, president of St. Paul-Mercury Indemnity.

S. A. Rothermel of Moore, Case, Lyman & Hubbard expressed appreciation to Mr. Moreau for the excellent association between the company and agency during Mr. Moreau's tenure, which began in 1937.

Probe Lloyds Solicitation of Michigan Dry Cleaners

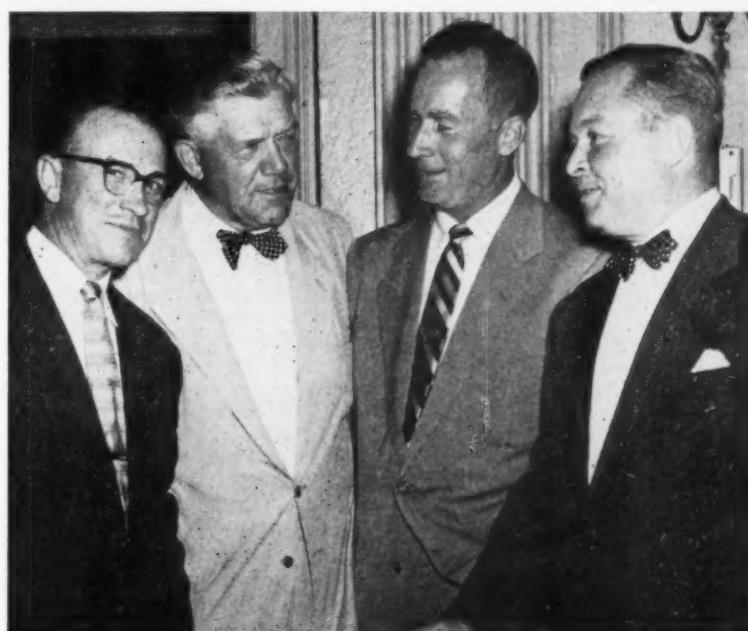
LANSING, MICH. — Commissioner Navarre is planning to ask an attorney general's opinion relative to the legal aspects of the insuring of Michigan dry cleaning establishments with London Lloyds.

According to word reaching the department, members of Michigan Assn. of Dry Cleaners were solicited at their recent convention to place their risks with Lloyds under a proposed group policy. Material premium savings were claimed under the plan, with several specific properties cited as examples.

The Michigan code prohibits insuring with Lloyds if licensed carriers will accept the risks. It is further noted that the state would be deprived of premium taxes under the arrangement, which calls for closing insurance contracts through a broker in Montreal.

Attorney General Millard, it was indicated, will be asked to pass on these questions, including whether a contract closed in Montreal but involving Michigan properties is subject to the Michigan statute.

Agents have been protesting the Lloyds solicitation and have urged the department to block the plan, if legally possible. It is conceded that the Lloyds plan embodies large savings on the rel-



Henry T. Moran, Oklahoma City local agent; W. A. Seeley, Crum & Forster western manager; Paul Barr, Hanover manager, and F. Vernon Griffith, Jr., Kansas City, at the midwest agent-company conference meeting.

atively poor risks but it is contended that rates of authorized carriers are little, if any, higher on cleaning plants properly built and embodying a minimum of hazard. The Lloyds plan is reported to be not an all-risk but a bailee type of coverage.

Waldo O. Hildebrand, secretary-manager of Michigan Assn. of Insurance Agents, said officers of the dry cleaners' organization have disavowed connection with the plan and do not favor its use by members.

Nelson Asks More Funds

Citing sharp increases in revenues from insurance taxes, fees and licenses, Commissioner Nelson of Minnesota will ask the legislature for increased funds for his department. He said that last year insurance paid to the state \$5,588,998 and his department is allowed only \$251,780 to supervise the business. "If it got \$400,000 or \$500,000, we could give much better service to the people," he said.

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Underwriting Manager

NEW YORK

EDITORIAL COMMENT

Not Gone, But Somewhat Forgotten

A company man took occasion recently to expound with real feeling the qualities and values of an agent. What moved him to such an espousal at this time are the difficulties agents are having, and which he feels the companies may be inclined to overlook or mitigate because of their own troubles.

Some agents are going through times which are actually critical because companies here and there are shutting down on workmen's compensation risks, tightening up on automobile underwriting, and looking askance at all third party lines.

For a few agents, these difficulties could be insurmountable. Yet there is very little an agent in such a position can do. He may long ago have based his business on certain categories, specializing in W.C., or automobile, or both. If so, and if in the meantime he has not developed or has been unable to develop a considerable volume of fire and other property insurance, his position is fairly untenable.

The agent also is hit by inflation, high salaries, poor help, and taxes.

In a sense, the agent is the forgotten man today. Workmen's compensation always was and automobile insurance is rapidly becoming classified as a social insurance. So, who gets the finger pointed at him the most frequently? The agent. It is the agent and his commission that is causing the trouble, it is said.

He is criticized for fighting for a surcharge on assigned risks. Yet he is only fighting for the right of survival. For some agents it means exactly that. The implication of the critics is that lines such as W.C., and perhaps to only a slightly lesser extent automobile, are social insurances required by law (or almost so). Therefore the agent does

not have to work hard to secure the business and only a little to service it. This is, of course, a lot of hooey. The agent devotes a lot of attention to such risks and delivers a lot of service to them.

It has long been recognized that the agent pays the expenses of the fire business by the profits that he gets on casualty. Now that the big casualty lines have gone sour, what happens to the agent? Is his commission supposed to be cut? What does he do about risks that go into assigned risks? He feels and is charged with a considerable amount of responsibility to get coverage for those risks with whom he has lived over the years. Yet on W.C. he gets no commission, and on automobile risks he gets very little, when they are assigned.

The insurance business has gone on becoming more complicated; the job of operation as an independent business man has gone on becoming more complicated. It is true that there is more volume today, the agent's income may be greater. Undoubtedly it is, but for the service he renders, it is doubtful if anyone, on analysis, would accuse him of being overpaid.

The agent is a diplomat. The best yes man in company ranks can't hold a candle to him. He takes all kinds of abuse from insured and prospects. In addition, today, he must argue mightily and skillfully with company underwriters.

The agent today must be, in addition to diplomat, financier, counselor, underwriter, claim man, survey expert, and punishment taker. The good ones have made insurance what it is today and will make insurance what it is tomorrow, if it is anything. More power to him.

Group Undergoes Purge by Fire

The harvest of a long period of the most intense and at times unscrupulous type of competition between some insurance companies is being gleaned today in the way of poor experience on group coverages. Sharp competition is not the only factor figuring in the difficulties with group coverages. The high cost of hospital care and medicines and medical care, plus malingering and greater utilization of medical services than ever before enter into making experience unfavorable. However, the items in this latter category are not nearly so controllable as unsound competition in which the insurers have engaged over the past few years in which

ridiculously low rates have been quoted and companies have attempted to squeeze by for prestige purposes on very meager retentions.

Group men have for several years been disturbed by the competitive pressures in the business. Anyone who has attended their meetings or talked to them individually would have gathered this. Competition is a healthy thing but the kind of competition that these men were running into was neither healthy for them nor the business.

These group men were subject to tremendous pressures from their home offices for volume, volume, volume. On the other side, they have been subjected

to tremendous pressures from the buyers of group insurance, both management and labor, to quote the lowest possible rates, sometimes to give kickbacks to individuals. More often it was the representative of a company which would quote almost any kind of a rate to get a group who felt the worst about his job, even though a company with such a "liberal" attitude was helpful in acquiring volume. Many a group man has been forced to quote rates which were indefensible. He would have been much happier if his company had shown enough integrity not to bid at such a figure and volume be damned if underwriting principles were violated.

Some companies built outwardly impressive empires of group cases, which have turned out to be grief. Many of these inflated cases they have lost to competitors; on others they have paid dearly experience-wise. Some companies have very much weakened their own reputations with the public and with their own men because the home office would not adopt firm positions.

The situation was anomalous. Very often while the group departments were behaving in a non-conservative manner, to say the least, the other operations of the companies in question were carried on according to sound and conservative underwriting principles. It was in the group field that the companies obviously have decided to do their "advertising." Too often the right hand of the company didn't seem to know what the group department was doing.

By this time, some of the most flagrant violators of good sense in group underwriting have realized the error of their ways. Mounting loss ratios have brought a sobering realization to them that they are subject to the same laws of underwriting as any other department of the company.

Group insurance has been like a boom town. It has grown, often without direction, its streets laid out in crazy patterns, its knowledge incomplete, its ethics flimsy. Now certain areas are due for a burning and a purging by fire.

What emerges should be something better than there was before. Group insurance should become an established underwriting procedure on a scientific basis with competition, certainly, but competition tempered by good sense. It is bound to continue as a field of tremendous importance in the struggle to maintain balance between workers and capital that will retain the American equilibrium. It is a field in which there are so many obvious social responsibilities that the lack of caution on the part of some insurers and the loss of face suffered because of large-scale "raiding" and "price wars," have been peculiarly inappropriate.

PERSONAL SIDE OF THE BUSINESS

John P. McCormick, Graham Watts, C. R. Redgrave, and Graham L. Russell, whose appointments to new executive



J. P. McCormick



Graham Watts

& Mersey Marine. They are presently vice-presidents of Royal Indemnity, Globe Indemnity, Queen Newark, Star and American & Foreign. Messrs. Redgrave and Russell are now secretaries of the companies in the group.

Arnold Cain, local agent at Evansville, Ind., is recuperating from an illness. He is chairman of Evansville Assn. of Insurance Agents.

Janet Ahern, seven year old Chicago Quiz Kid, whose impressions of the Republican national convention were carried by United Press, is the daughter of Prof. John Ahern, head of the fire protection engineering course of Illinois Institute of Technology.

Henry Bush, St. Louis manager of U. S. F. & G., has been named chairman of the trades division of the St. Louis Community Chest fund campaign.

George Traver of National Board is moving around again after undergoing an operation for a ruptured appendix.

Gamble C. Dick of the Kentucky department was operated on at Good Samaritan Hospital, Lexington, Ky. He was reported doing very well, and probably will be back at his office by the end of the month.

H. E. Colwell & Son agency at New Rochelle, N. Y., was honored at a dinner there by Northern Assurance on occasion of its 50th year of representation of that company. Harry E. Colwell and associates in the agency were guests of the company. Howard Stocker of Northern presented Mr. Colwell with a plaque commemorating the occasion.



C. R. Redgrave



G. L. Russell

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NEW YORK 38, N. Y.—99 John Street, Room 1103. Tel. Beekman 3-3958. Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

Executive Editor: Levering Cartwright. Advertising Manager: Raymond J. O'Brien. Teletype CG-654



DEATHS

their "adventurous hand of the law what the most flaccid in group the error of ratios have on to them same laws her department like a boom without di- in crazy pat- complete, its areas are going by fire, something bet- Group insur- blished un- a scientific certainty, but good sense field of tre- struggle to workers and American which there responsibility on the part loss of face the "raiding" is peculiarly

MATT T. MANCHA, 71, one of the pioneer local agents of Los Angeles, died there after an illness of more than a year. He had been an agent since 1905, first with E. L. Hopper and Rowan & Co., and in 1907 opened his own agency. In 1913 he purchased the interest of Carl Martin in the agency and became an agent of Continental. He was a close friend of Henry Evans, long president of that company. The agency became the largest agency of Continental west of Chicago.

In the early days, following the close of the rate war that was so disastrous, Mr. Mancha was very active in local and state association affairs. He served as president of Los Angeles Insurance Exchange in 1923-24, and three terms as president of California Assn. of Insurance Agents in 1919-1921.

PHIL M. PHILIPS, 53, Yakima, Wash., local agent, died unexpectedly from a heart attack. He had been in apparent good health and was the general chairman in charge of arrangements for the 1952 convention of Washington Assn. of Insurance Agents to be held at Yakima Aug. 17-19. He had resided in Yakima 45 years and was one of the city's civic leaders.

EDWARD J. SILHANEK, who retired in 1946 as assistant western manager of National Fire, died at his home at Berwyn, Ill., at the age of 68. He started with the old Chicago general agency of Herrick & Auerbach, and

then in 1913 went with National as an examiner. He progressed through the underwriting route to become agency superintendent and finally assistant manager. He retired in 1946 due to the condition of his health.

James Silhanek of Underwriters Adjusting at Chicago is a brother.

G. G. GROSS, state agent for Firemen's of Newark in northeastern Ohio, died at Cleveland. Mr. Gross was 84 and still active in the field until the time of his death. He had been in the Ohio territory for more than 40 years. At one time he was with the Fred S. James & Co. general agency of Chicago, and later with the National Inspection Co. and National Fire.

J. S. BRANSCOMBE, who had just been elected assistant secretary of Aetna Fire, died suddenly in a hospital at Portland, Me. His age was 45. He had been the Maine state agent of that company. He was born at Northeast Harbor, Me., and graduated from University of Maine in 1928. He started with National Fire the same year and then was special agent of National Union in New England from 1939 to '49, and was state agent of New York Underwriters from 1939 to '46.

J. HILTON HOLMES, who retired in 1939 as manager of Florida Inspection & Rating Bureau, died at his home at Jacksonville at the age of 70. He attended Georgia School of Technology and in 1907 went with S.E.U.A. at Atlanta. Two years later he went to Florida as special agent and became Florida Rating Bureau manager in 1920. He was captain of Society of Mayflower Descendants in Florida.

MARTIN P. CORNELIUS, former president of Continental Casualty, and who in recent years had been senior consultant and director of that company and also of Continental Assurance, died at his home at Oak Park, Ill., by his own hand. He had been ill for a number of years and during the past two years had been much of the time under oxygen. His age was 69.

Mr. Cornelius was a genius at being long-headed in a negative way and he occupied a most valuable position on the Continental Companies' team over the years. He was always on the lookout for pitfalls in any course of action or departure that might be proposed and he had an unerring sense of where the skeletons lay, so to speak. However, at the same time he was not a dampening influence. Once a program had been decided upon and became a company policy he got behind it thoroughly. President Roy Tuch-

(CONTINUED ON PAGE 27)



Leonhart Gram

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Vice President

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Continental Casualty Purchase of U. S. Life Consummated

Assurance Company Gets Block—Stock Option Plan for Officers

Roy Tuchbreiter, president of Continental Casualty-Continental Assurance, has announced that Continental Casualty has consummated the purchase of controlling stock interest in United States Life. On May 13 the company contracted to buy 204,108 of the 250,000 shares of U. S. Life at \$22 per share and offered at the same time to buy other outstanding shares at the same price. On June 27, Continental purchased a total of 218,427 shares, or more than 87% of the total outstanding stock, all at \$22 per share.

Since that time Continental Casualty has sold to Continental Assurance 60,000 shares of U. S. Life at the same price for which it was purchased.

Mr. Tuchbreiter voiced belief that this will be a profitable investment and will be a basis for the acceleration of the growth of all three companies. The identity of U. S. Life will be maintained and its head office will continue to be at 84 William street, New York. In due course it is expected that certain directors of the Continental companies will be added to the board of U. S. Life.

Agency Inquiries Received

Mr. Tuchbreiter said that applications for agency contracts with U. S. Life have been received from agencies which had wanted to represent the Continental companies but which had had to be refused by Continental because of existing agency arrangements.

U. S. Life has more than \$550 million of life insurance in force. As of March 31 this year its assets were \$51,085,395 and its capital-surplus amounted to \$3,355,116.

Prior to 1947 a large part of its business was written in foreign countries, but in more recent years greater emphasis has been placed upon domestic operations. Currently all of its new life insurance is being written in U. S. dollars and more than 75% of the new business is on the lives of residents of the continental U. S. The company is licensed in 14 states and the District of Columbia, as well as in Hawaii, Puerto Rico, Guam, Panama, Canal Zone, Cuba, the Philippines, Japan, Colombia, Venezuela, Panama, Guatemala and five other foreign jurisdictions.

Stock Option Plan

"In order to make the most of the opportunities for sound, progressive growth which are open to the United States Life Insurance Company we expect to call upon the initiative, experience and know-how of certain key officers and employees of the Continental companies," Mr. Tuchbreiter states in a message to stockholders of Continental Casualty. "The contribution which these individuals make to the United States Life Insurance Co. will be reflected in its progress. Consequently, to encourage these key officers and employees to participate in the ownership of the United States Life Insurance Co., the directors of Continental Casualty Co. have approved the sale or optioning by it to these key officers and employees, at not less than Continental Casualty Com-

GOP Opposes U.S. Health Cover; S.S. Revision Favored

Strong opposition to federal compulsory insurance was voiced and revision of the social security law favored in the platform adopted by the Republican national convention at Chicago. The planks dealing with those topics are:

"Inflation has already cut in half the purchasing power of the retirement and other benefits under the federal old age and survivors insurance system. Sixty million persons are covered under the system and 4.5 million are now receiving benefits."

"The best assurance of preserving the benefits for which the worker has paid is to stop the inflation which causes the tragic loss of purchasing power, and that we propose to do."

"We favor amendment of the old age and survivors' insurance system to cover those justly entitled to it but who are now excluded."

"We shall work to achieve a simple, more effective and more economical method of administration."

"We shall make a thorough study of universal pay-as-we-go pension plans."

Against Bureaucratic Dictation

"We recognize that the health of our people as well as their proper medical care cannot be maintained if subject to federal bureaucratic dictation. There should be a just division of responsibility between government, the physician, the voluntary hospital and voluntary health insurance. We are opposed to federal compulsory health insurance and its crushing cost, wasteful inefficiency, bureaucratic deadweight and debased standards of medical care. We shall support those health activities by government which stimulate the development of adequate hospital services without federal interference in local administration. We favor support of scientific research. We pledge our continuous encouragement of improved methods of assuring health protection."

Peerless Casualty Gets Set to Sell New Stock

Peerless Casualty has filed a registration statement with Securities & Exchange Commission for authority to issue 100,000 new shares of common stock of \$5 par value. An investment group headed by Geyer & Co. of New York will underwrite the shares that are not subscribed for by stockholders. There are presently 240,000 shares of \$5 par value common stock and 2,000 shares of \$100 par value preferred stock outstanding. The common stock was just recently put on a \$1 annual dividend basis with the payment of a 25 cent quarterly dividend instead of 20 cents as in the past. The stock has been quoted in the range of 16-17.

The L. H. Stafford agency at Mankato, Kan., was honored by Northern Assurance on its 40th anniversary with the company.

pany's cost, of a total of 31,400 shares of the United States Life stock or slightly less than 15% of the total acquisition. Thirty-five individuals are concerned and no one of them has purchased or received an option on more than 2,500 shares. The fact that most of these individuals have the greater part of their lifetime savings invested in the stocks of the Continental companies undoubtedly has been an important factor in the unusual progress of those companies in recent years."

On Monday the over-the-counter market for U. S. Life was quoted 35½-37.

Am. Auto Restores Commission Rate on Class 2 Auto

American Automobile announces abandonment of its commission differential on class 2 automobile business with respect to all policies bearing an inception date of July 1, 1952, or later. The same commission rates will be paid for class 2 business as for classes 1 and 3. For some time, American Auto has been paying 5 percentage points less on class 2 risks.

The company officials state that this change is being made in recognition of the progress that has been made during the last year in dealing with the young driver problem. This, they say, is far from solved but in the past 12 months the public has become acutely conscious of motor vehicle traffic problems and safety programs are being prosecuted with unprecedented vigor. Particular attention is being given to the aim of reducing the incidence of motor vehicle accidents in the 16-20 and 21-24 age groups.

The accident frequency in these groups remains inordinately high, the American Auto officials say and it can never be reduced to a point that it is even with other age groups. However, the situation seems definitely to be improving and the officials express the belief that an appreciable dent will be made in the class 2 loss ratio.

Accident Prevention

"Accident prevention will continue to have a top place on the agenda not only of insurance companies, but of a very much greater number of business and industrial organizations that only recently have displayed an interest in traffic safety," the statement declared. "Safety campaigns are becoming progressively more militant, and it seems impossible that, with the constantly widening spread of driver education, the greater public consciousness of the problem, the agitation for better and preferably uniform traffic codes at both state and municipal levels, and the angry demand for strict enforcement, gratifying results will not be achieved."

"Loss prevention is the paramount obligation of the insurance industry. Payment of indemnity mitigates, but seldom compensates for the cruel situations arising out of losses. It is only through effectual loss prevention that lower insurance rates can be brought about. Therefore, it need hardly be added that American-Associated companies shall contribute not only of their time and talents, but financially as well, to the effort to reduce to the irreducible minimum the high incidence of motor vehicle accidents on our streets and highways."

Oppose N. H. Bar Move

CONCORD, N. H.—Insurance men are up in arms about a proposal by New Hampshire Bar Assn. to do away with ceilings on "wrongful death" suits. They feel that such a move would raise auto insurance rates in this state. Skyrocketing settlements in other states removing the ceiling were pointed out, and the upward climb of insurance rates which resulted.

The amount which may be recovered in deaths resulting from negligence has been limited to \$7,500 if the victim had no dependents and \$15,000 if the victim had dependents. This does not include industrial accidents, covered largely by workmen's compensation.

An agency has been established at La Grande, Ore., by Ray C. Baum and his son, David C. Baum. The elder Baum has been in the insurance business in eastern Washington for 18 years. His son is the youngest member of the Oregon legislature.

Auto Casualty 1952 Rate Increase Program Launched

New Tariff with Hefty Plus Signs Is Introduced in Five States

The long awaited 1952 automobile casualty rate increase program got underway this week with the new tariff becoming effective in Missouri, Idaho, Vermont, and Delaware and due to become effective in Maine July 28.

National Bureau of Casualty & Surety Underwriters has gotten out press releases that contain the essential data as to each state and there is included a standard set of quotations from William Leslie, the general manager, in explanation of the increases. Last year, the same procedure was followed and Mr. Leslie's quotes were widely printed and received favorable editorial mention on the whole.

There are some hefty increases involved, as was generally anticipated.

In Missouri, the revisions result in increases on private passenger car risks, running from a minimum of \$1 to a maximum of \$35 for B.I. and P.D.L. combined. In the commercial car classification the increases range from \$1 to \$23. In St. Louis the class 1 private passenger rate becomes \$71, increased

ST. LOUIS—Superintendent Leggett of Missouri Tuesday called on National Bureau of Casualty Underwriters to procure statistics to justify the increases in automobile rates for St. Louis, St. Louis county, Kansas City and Jackson county that became effective Monday. "If the bureau lacks figures to justify these rates," he said, "I shall ask for a public hearing on the matter. They would have to produce their evidence at such a public hearing." He added that he had received reports that the companies had been taking a beating in Missouri the past year on automobile risks. He said he had been expecting increased rates.

\$17; class 2 rate \$116, increase \$29; class 3 rate \$101, increase \$25. In Kansas City and vicinity the comparable rates are \$60, up \$14; \$98, up \$23 and \$86, up \$21.

For Joplin and vicinity, comparable rates are \$45, decrease \$1; \$74, decrease \$1, and \$65, no change.

For commercial cars there is a rate for one type of risk in St. Louis which is now \$110, an increase of \$9. In Kansas City the rate is \$151, up \$13 and in Joplin it is \$82, decrease \$5.

Range in Maine

In Maine, private passenger car increases range from \$5 to \$17 combined and for commercial cars \$2 to \$13. For Portland, the class 1 private passenger combined rate is now \$42 as against \$37, class 2 \$70 as compared with \$60, class 3 \$61 as against \$52. On commercial cars the rate that was \$83 is now \$85 and a rate that was \$95 is now \$100.

In Vermont the range of increase on private passenger car risks is \$7 to \$29 and on commercial cars it is \$6 to \$27. The rates for Burlington and Rutland are now the same. In these territories the new combined rate for class 1 private passenger is \$51 as against an (CONTINUED ON PAGE 27)

W. C. Discount and Retrospective Plans Enjoined in Cal.

Judge Swain of Los Angeles superior court has granted a temporary injunction to six California companies and the State Fund on their petition to restrain Commissioner Maloney from enforcing his ruling No. 67, which would allow the use in the state of the premium discount and retrospective plans A, B, and D, on workmen's compensation insurance. The judge gave the litigants 60 days in which to prepare for trial.

Mr. Maloney's ruling was issued in conjunction with another ruling allowing an 8.1% increase in workmen's compensation rates. The ruling allowing discount plans came as a surprise, since the matter has been in the files for sometime after a number of public hearings beginning in November, 1950. The discount plans, as proposed by the National Bureau, were to have become effective July 1.

Suit is being brought against the use of the plans in California by the State Compensation Fund, Pacific Employers, Guarantee of Los Angeles, Allied Compensation, California Compensation, California Casualty Indemnity Exchange, and Argonaut Exchange of San Francisco. James B. Donovan of National Bureau was allowed to appear as amicus curiae

in the hearing, and Harold Blak, Fireman's Fund, also was heard. In the case of Mr. Donovan, the leave extended only to the hearing on the injunction.

It was argued that the commissioner in approving the discount and retrospective plans was taking an illegal and unconstitutional action. The court held that the premium discount plan is based on the premium paid by the insured and under ruling 67 irreparable damage would be caused to the petitioners (the California domiciled insurers), and might result in complete destruction of the competitive system.

McConnell Gives Argument

F. Britton McConnell, vice-president and general counsel of Pacific Employers, argued that the companies petitioning for the injunction write practically 50% of all workmen's compensation in California. The commissioner, he contended, is exceeding his authority in granting the use of the plans. He held that the rates should be uniform for all companies and that the law authorizes the issuance of participating policies and tells where the refunds are to come from.

If the commissioner's ruling were to prevail, Mr. McConnell said, any other kind of liability and third party liability coverages might be affected. There are 19 kinds of liability that might be subject to the new rule, he said.

Attorney Donald Gallagher, representing the State Fund, argued that if the ruling goes into effect, it will pull the

props out from under the fund.

Commenting on the decision, Commissioner Maloney noted that the judge had said there was no actuarial basis for the premium discounts by size of risk, and that the result was unconstitutional discrimination. "My decision contained in the order now enjoined," he added, "plainly states on its face that the discounts allowed are supported by statistical data developed by an expense study under the sponsorship of N.A.I.C." Thirty-six other states have found adequate supporting data for the discounts, he went on, and the plaintiffs themselves for years have paid larger dividends, percentage-wise, on the basis of premium size, even though loss ratios are identical.

American Auto Folder Tells Policyholders Their Stake in High Awards

American Automobile has made available to agents and brokers a folder explaining the policyholder's stake in large jury awards in personal injury cases. Using the photograph of a jury that appeared in its national advertising, with the caption "Will This Jury Be Generous With Your Money?" the folder points out that excessive awards have become commonplace, and then explains that these high awards are paid for in higher premiums.

"It's time the insurance policyholders recognize that they have a very personal interest in what is happening in the court rooms of many of our courts," the folder states. "For so long as the facts in personal injury cases are purposely overlooked or ignored; and so long as the amount of the award is based on a 'let the insurance companies pay' attitude, insurance rates will remain high—will probably go even higher—and the insurance buying public will continue to foot the bill!"

Iowa Statisticians Elect

Iowa Fire & Casualty Insurance Accounting & Statistical Assn. at its annual meeting last week at Des Moines elevated K. H. Rekus, Iowa Mutual, from president to chairman, and elected J. S. Tressler, Hawkeye-Security, president. H. Holbrook Morrison, Inter-Ocean Reinsurance, is vice-president, and Don L. Wilson, State Automobile, is secretary-treasurer.

During the afternoon, those attending the meeting visited the home offices of State Automobile, Western Mutual, and Allied Mutual Casualty, all of the companies occupying quarters which have been constructed within the past three years.

New Ga. Steering Group

Harry M. Carter, Savannah, president of Georgia Assn. of Insurance Agents, has appointed the executive committee: Joe Barrett, Dalton; Thomas R. Fuller, Toccoa; Thomas J. Glover, Newman; Jere Field, Monroe; Walter W. Price, Thomaston; James P. Walker, Augusta; John S. Johnson, Ashburn; Wyndell C. Dykes, Cochran; Josiah O. Hatch, Savannah; A. M. Harris Jr., Brunswick; Ed R. Langford, Thomasville, and Cobb C. Torrance, Atlanta.

The first meeting of the new committee will be held at Atlanta July 21.

Utah Can't Buy Auto P.L.

Attorney General Vernon of Utah has ruled that state departments are without power to purchase public liability insurance to protect state employees while they are driving state-owned vehicles.

He also held that the state does not have the right to insure its motor vehicles for public liability as the state constitution prohibits damage suits against the state.

"To pay for insurance where there is no liability is a waste of public funds; such payment is not a public purpose and is a donation to the insurer," he said.

Find Ill. W. C. Administration Is 33% of Total Cost

The Illinois workmen's compensation system, under an insurance program, is less economical than the federal employers liability system (covering railroads) which has long been considered the prime example of expensive administration, according to a study conducted by University of Illinois graduate college and prepared by A. F. Conrad, professor of law, and R. I. Mehr, professor of insurance economics.

This study indicates that in the federal liability system, about one-fifth of the total cost is operating expense and the other four-fifths are net benefits to workers. Under the compensation system, about one-third of total cost is for operation and about two-thirds are net benefits to workers.

The authors state that with respect to workmen's compensation, the indications are "startling." The assumptions made for years that workmen's compensation payments are made with insubstantial participation by lawyers and with a great saving of expense to taxpayers are contradicted. Instead, the workmen's compensation system is at least 50% more expensive in terms of operating costs, and the excess of expense above that of the federal employers liability act appears in every element—employees' expense, employers' expense, and taxpayers' expense.

The authors note that their findings are of importance because of the proposals that have been made to extend the compensation system to the railroad industry and to automobile accidents. One objective that proponents of this idea have is economy of operation; but the University of Illinois professors comment: "We believe that this objective cannot validly be advanced as a reason for conversion to a compensation-insurance system until it is shown that the proposed system will escape some of the sources of expense present in the Illinois workmen's compensation system."

They say that further study is needed of the extent of attorney representation in workmen's compensation, and the reasons for it.

A frequently cited advantage of compensation systems over employers' liability and common law systems is the advantage of periodic payments over lump sum payments. While this was not taken up in the study, it was noted that in Illinois the compensation system does not operate as generally supposed—lump sum settlements appearing to be extremely numerous and may be as high as 85% of amounts paid out by insurers.

The study is entitled "Costs of Administering Reparation for Work Injuries in Illinois" and is published by the University of Illinois.

Tenn. Auto Loss Ratios High

NASHVILLE — Although the bodily injury loss ratio in Tennessee for 1951 was 53.85 as compared with a permissible 55.4, the property damage loss figure went up to 63.63, as compared with a permissible 51.7, according to a report released by Commissioner Allen, based on reports of 49 auto insurers.

Hamilton county (Chattanooga) had a P.D. ratio of 87.47 and a B.I. loss ratio of 84.67. The department reported that Southern Fire & Casualty, Knoxville, has withdrawn from Chattanooga and that other companies may follow.

Houston Club Elects

Fred A. Rhodes, Julius Levi & Co., was elected president of Casualty-Surety Round Table Club of Houston for a six months' term. Other new officers are: Vice-president, Byron F. Steves, Lone Star General Agency; secretary, C. V. Berson, American General, and treasurer, Fred L. Campbell, Loyalty group. The club now has 43 members.

WANT ADS

Rates—\$13 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Monday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—FIRE & CASUALTY EDITION

FIELD MAN WANTED

Multiple line Indiana Company needs field man to travel Central Indiana Territory, including Marion County. Basic knowledge of casualty lines necessary—some knowledge of fire business helpful. Salary open. Replies will be held strictly confidential. Address Box M-28, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

MAI - APPRAISER - SRA

30 years experience. Now chief appraiser, VA regional office, desires permanent connection with mortgage loan division of active insurance company. Address M-31, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Experienced Adjuster Wanted

Services thoroughly experienced adjuster, fire and miscellaneous, for Far East assignment. Excellent opportunity for young man under 35, preferably unmarried though if married, no children. Adequate salary. Dargan and Co., Inc., 110 William St., New York 38, N. Y.

WANTED

Assistant to Fire and Casualty underwriters. Some experience necessary. Good opportunity.

Haskell, Miller, Grossman and Company Room 1803, 175 W. Jackson Blvd., Chicago 4, Ill. WAbash 2-0714

AVAILABLE NOW

Experienced contract and judicial bond underwriter. College graduate, single, draft exempt, age 25. Second generation in casualty business. Wants real opportunity in bond department of agency or company. Will locate anywhere. Address M-37, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

FOR SALE

Part interest in agency in Northwestern Ohio servicing both farm and city risks. Stock and mutual lines. Excellent opportunity. Address M-38, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

POSITION WANTED

by Surety Underwriter having broad experience with large volume. Have excellent references. Desire new opportunity with aggressive company. Present salary \$5,500. If interested, please state location of position. Box M-40, National Underwriter, 175 W. Jackson Blvd., Chicago, Illinois.

AVAILABLE

Claims man with 20 years of casualty and fire experience. Have managed claims offices. Top references. Address M-36, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Long established old line stock multiple peril company desires services in Michigan of Special Agent with Analytic Schedule experience, or man with Analytic Experience only. Box M-41, The National Underwriter, 175 West Jackson Blvd., Chicago, Ill.

Stockholders Protective Insurance Is Now About to Make Its Bow

Stockholders protective insurance is a new adaptation of the principle of protection against the third party liability hazard that is about to make its bow. This has been in gestation for some time in the office of the Chicago insurance consulting firm of Belt & Ricker and it has now been approved in Iowa and Wisconsin. Filing has been made in Illinois and the intention is to make filings generally. The plan is copyrighted by Belt & Ricker. It is being offered by Employers Mutual Liability of Wausau and it is being made available to other companies as well.

The insured under this program are the stockholders of a corporation; presumably in the ordinary course a trustee would serve for this purpose in behalf of the stockholders. The hazard insured against is the depletion of the net worth of the corporation from liability judgments against the corporation that exceed corporation's own insurance recovery. The recovery runs to the stockholders rather than to the claimants.

According to Belt & Ricker the objective is to provide under one policy and one limit in that policy, public liability insurance for the protection to the shareholders of the net worth of their holdings. They say it is a yardstick for buying liability protection.

The rating basis is the difference between the amount of coverage that the corporation carries and the amount of cover for the stockholders' trustee. The end charge for the insurance is what that amount of insurance would cost if purchased directly and in the normal way, plus a slight loading for such extra covers as full "occurrence" on B.I. and P.D.L., libel and slander and false arrest, and elimination of such ordinary exclusions as air and water craft.

Applies As Excess

The insurance applies as excess to regular liability insurance presently available to and purchased by the corporation. It would cover substantially all the insurable tort liability of the corporation and in the event the occurrence involving the claim is not within the orthodox insurance, the stockholders protective cover would apply in excess of a predetermined deductible amount.

Belt & Ricker cite by way of illustration a dry goods company with net assets of \$100,000, and that buys automobile B.I. cover with limits of 25/50, P.D.L. for the usual minimum of \$5,000, general liability B.I. in 10/20 limits, and P.D.L. \$1,000. There is no product liability insurance.

Then the stockholders as a group purchase stockholders' protective insurance in the amount of \$100,000. An independent contractor that is used to make a few retail deliveries, causes an intersection accident and the occupants of the other vehicle are seriously and permanently injured. There is a final judgment of \$175,000 for bodily injuries and \$6,000 for property damage, against the operator and the corporation. The liability was imposed on the corporation since, at the time of the accident, the driver was under the specific direction of the shipping clerk of that corporation.

Cover Is Exhausted

The liability insurance of the corporation is exhausted in the amount of \$50,000 for the bodily injuries plus the \$5,000 property damage liability. This leaves an unsatisfied judgment of \$126,000. The \$100,000 of corporate assets are subject to attachment and, in practice, the corporation is declared bankrupt and its assets sold, probably at auction, and the proceeds distributed among the unsatisfied judgment creditors and probably among some other creditors. This legally closes the case as respects such creditors.

With the proceeds of the \$100,000 stockholders' protective insurance, the shareholders as a group, if they so elect,

may bid for and purchase the assets of the bankrupt corporation and continue, if their bid is successful, in the same business. Should other interests outbid the group, or otherwise they not elect to purchase the assets, they have, in effect, liquidated their holdings in that corporation.

They knew in advance the amount of insurance they needed; they purchased it for a nominal premium and they did not lose their investment through the negligence of the truck operator, Belt & Ricker observe.

Belt & Ricker say it is essential that the premium for the stockholders' insurance be actually paid by the shareholders and not the corporation. If paid by the corporation, the benefits would undoubtedly inure to the corporate entity and not the shareholders.

Cost Is Small

The cost will be less than \$50 per year for the entire group of shareholders in hundreds of corporations with assets of \$200,000 or less. The premium is based on the actual exposures and the net worth of the corporation.

It is not necessary for the corporation to become prostrated by an uninsured situation for the stockholders' insurance to become payable.

For instance a customer fell as the result of a raised entrance and the store was on the losing end of a judgment of \$15,000. The general liability insurance of the corporation paid \$10,000 and the corporation the balance, or \$5,000.

The stockholders' protective insurance pays the shareholders \$5,000 due to the depletion of the corporate assets.

In answer to the obvious question of why beat the devil about the bush instead of having the corporation buy stratospheric liability limits directly, Belt & Ricker reply that this is a way of avoiding the consequences of high limits inviting jumbo claims, settlements and verdicts.

It would not be practicable for stockholders of large corporations with many stockholders to purchase such cover, but Belt & Ricker say that it can be purchased for the stockholders of subsidiary corporations that engage in so-called "hot" operations.

The income tax consequences of recovery under such covers have not been explored by Belt & Ricker.

O'Connell 50-Year Man

Frank A. O'Connell, assistant manager of American Surety's contract department, Monday celebrated his 50th anniversary with the company. He started as a clerk in the legal department. He has held his present position since 1929. At a special luncheon, President A. F. Lafrentz presented him a watch as a memento of the occasion.

O'Dean to Anchor Casualty

Donald O'Dean, an examiner for the Minnesota department for the past four years, has been named chief accountant by Anchor Casualty of St. Paul. He is a graduate of University of Minnesota and after war service was a C.P.A. before joining the department.

To Push Safety Campaign

Douglas M. Fitzgerald, former local agent at San Jose, Cal., has been appointed public relations representative of National Automobile Club and will aid Robert W. Jackson, public relations director, in the traffic safety campaign being conducted throughout the state by the club and California Assn. Insurance Agents.

Driver education of teachers has been started at Sacramento State College, Sacramento, Cal., by National Automobile Club. Classes are being conducted by Marland K. Strasser of Assn. of Casualty & Surety Companies.



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SIOUX FALLS CHICAGO
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*One of America's
Oldest Bonding Companies*

**OTHERS LOOK TO US FOR
INNOVATIONS IN THE INDUSTRY**

Recast Output Form; Omit Flood at Permanent Location

Multiple Peril Insurance Rating Organization's revised rating plan for manufacturer's output policy has been accepted by Connecticut, Delaware, Georgia, Minnesota, New York, Idaho, Illinois, Nevada and Tennessee. Filings are being made in other states.

This is a multiple line contract covering personal property of manufacturing risks off the plant premises. It insures against all perils except those expressly excluded. The more important exclusions are infidelity, flood and earthquake at location, war and mysterious disappearance. The flood and earthquake exclusions do not apply to property on which flood and earthquake coverage is usually granted in the marine and automobile physical damage markets.

The revised policy form contains a number of changes as compared with forms previously in use in independent filings. The most important change is the exclusion of flood coverage at permanent locations. The new policy contains a more detailed specification of interests and property insured. Otherwise, the output coverage is substantially the same, although language has been added to clarify the intent of the policy to exclude certain types of consequential and uninsurable losses.

Under the revised rating plan each risk is to be specifically rated by the organization. The total rate is split into two portions; the normal loss rate is designed to provide for all loss occurrences of \$5,000 or under and the first \$5,000 of loss as to all losses over \$5,000 each and the major loss rate is designed to provide for such portion of all loss occurrences as exceeds \$5,000 each.

The normal loss rate is subject to substantial debits and credits based on the risk's experience on losses of less than \$5,000. There is no experience modification to the major loss rate which is derived from industry classification rates modified by schedule to reflect hazards of the individual risk by a system of deficiency points requiring the analysis of 11 different factors affecting the risk.

The policy is a reporting form and the rate applies to 100% of the values covered. The annual minimum premium is \$5,000.

No date for receipt of rating applications from member companies has been announced.

Offers Auto Damage Service

Allstate has opened its own auto damage inspection and estimate station in connection with its regional office at Milwaukee. It provides a staff of inspectors that prepare cost estimates for owners, who may take their vehicles to garages of their choice.

Oklahoma Holds O.L.&T. Hearing

The Oklahoma insurance board conducted a hearing July 10 on the new O. L. & T. filing of National Bureau of Casualty Underwriters. Paul Benbrook, southwest manager of the National Bureau at Austin, Tex., was present to answer questions.

Burglary Data Dramatized

"Crime Show," a 12-page booklet dramatizing burglary figures from the Uniform Crime Reports of the F.B.I., has been released by the National Underwriter Co. Designed as a visual mailing piece for the sale of burglary and other crime coverages, this edition of "Why You Need Burglary Insurance" can be used to reach any class of prospect — commercial, institutional or private.

Previously edited by the staff of the Casualty Insuror, the new edition is the work of the editors of the Fire, Casualty & Surety Bulletins. Copies can be obtained at low cost from the National Underwriter Co., 420 East Fourth street, Cincinnati 2, O.

June Fire Loss Slightly Better

Estimated fire losses in June totaled \$58,585,000, according to National Board. This is 3.9% less than in June, 1951 and 6% less than May, 1952.

Paul Mullen Retires; Lowd Takes Pittsburgh Post

Paul J. Mullen, field representative of Phoenix of London in western Pennsylvania and with the group more than 35 years, is retiring. The Pittsburgh territory will be under the supervision of Harold F. Still, vice-president and resident manager at Philadelphia.

Robert M. Lowd has been named state agent in western Pennsylvania. He formerly was special agent in southern New Jersey. He will be assisted by Special Agent W. S. Simmons.

Phoenix Assurance Changes

Col. J. J. Astor has been appointed chairman of Phoenix Assurance head office board and G. Tyser reelected deputy chairman. Col. Astor succeeds William Shearer, who, on medical advice, asked to be relieved of the chairmanship. Mr. Shearer will continue as a director.

Great Am. Veterans Retire

Thomas B. Robertson, executive special agent of Great American since 1950 and with the company beginning in 1905 as office boy, counterman and special agent, is retiring. William Lauder, special agent in New York city since 1930 and with the company since 1902 is also retiring.

E. P. Johnson Ala. Head

Alabama Fieldmen's Assn. at the annual meeting elected Everett P. Johnson of New York Underwriters as president; Henry Poellnitz, Birmingham Fire, vice-president and R. W. Black, of Hurt & Quin, secretary.

Shelby Davis Slated

Shelby Cullom Davis, head of New York brokerage firm specializing in insurance stocks, will speak at the Sept. 18 meeting of Insurance Accountants Assn. at New York on insurance investments, accounting and analysis.

Chattanooga Arbitration Group

George H. Jones, Travelers, was elected chairman of Chattanooga's first insurance arbitration group.

ance arbitration committee at its organization meeting, which was addressed by Felix O. Cox, Atlanta, special agent for the national claims committee. Other members of the committee are Allan G. Saunders, American Mutual Liability, and Francis C. Barker, Royal-Liverpool.

NAT'L SURETY IS INSURER

S. C. Agents Assn. Wins Handling of School Bus Line

COLUMBIA, S. C.—Bodily injury and property damage liability insurance on 3,500 school buses operated by the state of South Carolina has been placed through South Carolina Assn. of Insurance Agents and written in National Surety.

An accident policy covering 200,000 student riders was placed in Indemnity of North America through Jesse Reese, local agent at Columbia.

This is being done under the provisions of a new law.

Hold Doctor for Fraud

A motion to dismiss a health insurance fraud charge against Dr. George F. Engstrom of Belgrade, Minn., has been denied in court at St. Paul and he has been bound over to the district court on a second degree grand larceny charge. He is accused of defrauding Group Health Mutual of St. Paul out of \$15,000 by padding claims of patients insured in the company.

Many Changes Announced By Pearl-American Group

(CONTINUED FROM PAGE 1)

in Philadelphia and was appointed manager of that office in 1948. With the consolidation of the Philadelphia with the New York office he was transferred to New York in 1949 and was subsequently elected assistant vice-president of Eureka-Security and Monarch Fire.

Mr. Oswald was educated at St. Mary's College. He entered insurance in 1920 with Dubuque and became vice-president of National Reserve in 1933 and vice-president and secretary of the Dubuque F. & M. in 1939. In 1945 he joined Pearl and was appointed underwriting secretary and became assistant vice-president of the subsidiary companies in 1948.

Mr. Chisholm started in insurance in 1923. In 1931 he became a field representative for Royal in the middle west. In 1935 he joined Pearl in Cleveland as manager of the automobile department. He was transferred to New York in 1936 and in 1948 was promoted to assistant underwriting secretary for Pearl and assistant secretary of Eureka-Security and Monarch Fire.



We Cut The Red Tape!

There's nothing bureaucratic about the folks at MUTUAL OF OMAHA. When a policyowner has a claim, he wants action, and he GETS ACTION! MUTUAL of OMAHA maintains 110 service offices, located at convenient points throughout the United States, Canada, Alaska and Hawaii . . . to facilitate direct, prompt, local service and payment of benefits. In 1951 MUTUAL of OMAHA sent out 675,918 benefit checks . . . over a million dollars a week! That's a total of more than 414 million dollars paid in benefits in its 42 years of operation. A fine company to buy insurance from . . . and a fine company to sell insurance for.



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Wide Variety of Laws Cover Blue Cross Operations

A wide variation in the regulation of Blue Cross plans in the 40 states having legislation expressly governing these organizations was shown in the survey presented to the N.A.I.C. Blue Cross-Blue Shield subcommittee meeting at Chicago.

There is no pattern to the laws so far adopted, and in the 10 states not having specific laws, there is, in all but three, some form of regulation under fraternal or mutual laws.

Of the states having legislation, four permit Blue Cross to commence business without any approval from the insurance department, and in a fifth it may do so without approval if it has contracts with 25% of the hospitals serving its area. Nine states require the corporation to obtain approval of the department before commencing business, but no statutory standards for giving or withholding approval are specified. In the remaining states the corporation must obtain the approval of the insurance department after meeting one or more statutory standards. There are a total of 26 requirements in the various states, but the majority of them apply to only one state.

In seven states there is no provision for approval by the insurance department of the form of subscribers' certificates, but in the remaining 33 states, the forms must be filed with and approved by the insurance department. A few states have prescribed certain provisions which must be included in the certificate and the manner in which they shall be set forth.

Seven States Don't Watch Rates

There are seven states making no provision for approval of rates, while the other 33 require approval. Generally, approval is withheld only on a finding that the charges are excessive, inadequate or unfairly discriminatory.

Only 11 states, by statute, require that the form of contracts between the Blue Cross and its participating hospitals be filed with and approved by the insurance department, and only one state prescribes provisions which must be included in the contract.

Eighteen states provide that the rates of payment from the Blue Cross to its participating hospitals shall be filed with and approved by the insurance department. There is no definite guide in the statutes for giving or withholding approval except in Massachusetts where it is stated that hospitals shall be paid "reasonable costs" or charges, whichever are lower. In only two states is the Blue Cross not required to file an annual report, and in only three states is the department not authorized to make an examination into the affairs of the plans.

There is cited in the survey the statutes of the 19 states having provisions as to reserves, and here again there is a variation, no two states having exactly the same requirements.

In 23 states the Blue Cross is exempted from general taxation. No provision for taxation is made by another 12 states, so that in them the tax status would be the same as for other non-profit corporations. Three states provide that the plans shall not be exempt from taxes otherwise applicable.

Urges CPL Approach for "Middle Market" Prospects

A fresh approach to profitable prospecting and selling is offered to agents in a new issue of the Agency Sales Bulletin published by Security of New Haven. Called "Selling the Great Middle Market for Insurance," the booklet notes that most large buyers either have all the protection they need or have been approached so often that they're hard

to sell. On the other hand, it takes a large volume of individual or family clients to build a profitable agency. The bulletin states that there are, however, thousands of small and medium-size business and commercial risks that are usually inadequately insured.

General liability insurance is suggested as a specific line to offer and promote in order to interest this class of prospects.

The bulletin goes on to tell how to get prospects' names both companies and individuals, and how to select the better prospects. It tells in considerable detail why comprehensive general liability is needed by these prospects and what to say in selling to them. Pertinent details are given on the three basic policies, general liability, manufacturers' and contractors' and schedule liability, and the CGL, and explains how they are rated.

Object to CAB Rules Delay in Air Program

Air Transport Assn. and individual air lines are reported objecting to Civil Aeronautics Board proposed insurance requirements for air carriers. Some want the regulation stopped dead.

Objections include (1) the claim that the regulations would in effect regulate the insurance companies by requiring them to issue policies without exclusions; (2) a \$25,000 maximum liability proposed which, it is claimed, would encourage juries to render such maximum verdicts, thus increasing loss experience and increasing costs.

Plan St. Louis Courses

Insurance Board of St. Louis, in cooperation with St. Louis C.P.C.U. chapter and Washington University, will again present the C.P.C.U. courses at the university this fall. Insurance principles and practices, insurance law, and general education will be given.

Goodwin Named to Study Unit

W. C. Goodwin, assistant investment officer of St. Paul F. & M. has been chosen to represent that group on the business executives research committee recently set up by the University of Minnesota to study specific economic problems. C. F. Codere, chairman of St. Paul F. & M. was one of 24 business leaders who cooperated with university officials in setting up the committee.

Insurance Men on Tax Body

WASHINGTON—James L. Madden, vice-president of Metropolitan Life and a director of the U.S. Chamber of Commerce, has been appointed chairman of the chamber's new tax committee. It also includes Ralph B. Lounsherry, president of Bankers National Life; John North, president Phoenix of Hartford, and Chase M. Smith, general counsel Lumbermens Mutual Casualty.

Ellensburg on Inspection List

Washington Fire Underwriters Assn. will join with Kittitas County Assn. of Insurance Agents in a town inspection of Ellensburg Oct. 7, the second day of National Fire Prevention week.

May Hold Up Aviation War Risk

WASHINGTON—The government's aviation war risk program may be held up until next year, unless Congress meets in extra session, meanwhile. One reason is that officials "overlooked" the necessity of obtaining congressional authorization of funds for meeting claims and paying losses. The program cannot be inaugurated without money to back it up.

However, possibility existed that necessary money might be allocated from the president's emergency fund.

Mildred S. Powell, publicity director and editor of publications of New York Insurance Society for several years, is resigning to join the staff of Principia

College at Elsah, Ill. Previously, at one time, she was with the Insurance Advocate and has done free lance writing for newspapers.

Insures Voice for \$100,000

LOS ANGELES—Chet Allen, 13, with the Universal-International Studios, has had his voice insured for \$100,000 against the risk of it changing before he has completed his part in his first film. The policy was written through London Lloyds with Jack Dempsey as the broker.

Charles W. Ladd has joined John A. Mixer in his general insurance agency at Wolfeboro, N. H. Mr. Ladd, who was New Hampshire manager of Connecticut General Life for 10 years, is a past president and now a director of New Hampshire Life Underwriters Assn.

Hartford Steam Boiler has declared a dividend of 4% or 40 cents, payable July 15 to stock of record July 5.

The R. L. Springer agency, Hominy, Okla., has been sold to Ray Carnagey.

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... but your insurance agent
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Now that vacation time is here, it's especially important for you to have dependable protection against loss due to theft—protection that can follow you anywhere in the Western Hemisphere! You can be protected against loss through theft including robbery, both at home or away by our Residence and Outside Theft Policy. It covers you, and all members of your family living with you, against year 'round loss.

Get this low cost policy "that goes places"—today!



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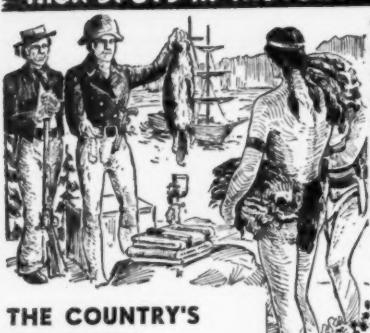
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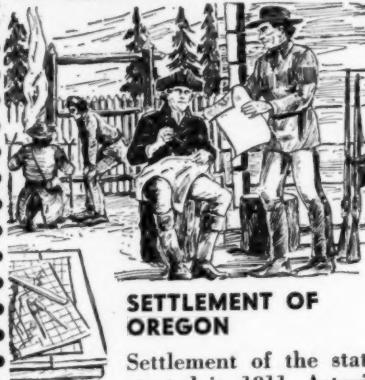
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HIGH SPOTS IN HISTORY**41: OREGON****THE COUNTRY'S DISCOVERY**

More than 200 years after Drake passed along the coast Captain Gray, in 1792, sailed up the Columbia River, bargaining for furs with the Indians.

**SETTLEMENT OF OREGON**

Settlement of the state started in 1811. Astoria was founded by John Jacob Astor's Fur Company. Fourteen years later Fort Vancouver was established by Hudson's Bay Company.

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. . . in any agent's career is when he joins Hawkeye-Security & Industrial.

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Genesis of Output Policy Is Reviewed

(CONTINUED FROM PAGE 7)

accounts as inland marine business. He was compelled to give a negative answer. He was then requested to explore the accounts and find exactly how far he could go marine-wise and then attempt to work up a coverage equivalent to the expiring policies with a combination of an inland marine, automobile, fire, burglary, water damage, flood and such other specific peril policies as might be necessary. After exhaustive study, he reached the conclusion that a workable combination could not be made. The new regulatory situation prevented continuing the existing policies and it was impossible to put together equivalent coverage under a combination of so-called standard forms, even at an exorbitant price.

While Mr. Gentry was making his explorations, one of the accounts expired and was promptly picked up, on the old basis, by one of the several irregular markets. By the time he had come to a "dead end" on the first course, a second account was ready to expire and this assured was likewise immediately offered the old coverage again by an irregular market. However, the second assured protested the loss of his Aetna policies. His protest was so vigorous that it went directly to President W. Ross McCain. Mr. McCain called Mr. Gentry to his office and asked, "Baxter, why are you discontinuing this fine account?"

Mr. Gentry explained that he didn't want to drop the business, but he could see no way of continuing it under the new requirements. Mr. McCain replied that he thought the assured was right in his protest and that he could not believe it was the real intent and purpose of the new regulations to bring about such a result. He then commissioned Mr. Gentry to find a way, consistent with the new laws, to continue the business.

The job looked like a tough one, yet there seemed to be some hope in the new multiple powers laws which had become a part of the new picture. What did the sponsors of the multiple peril laws intend to do? There was talk of providing a broader domestic market, of making the assets of the casualty business available to fire business and vice versa. This was at a time when there was a real capacity problem in the fire business. It seemed to Mr. Gentry that such legislation must have a greater destiny than that if it were to be of any real benefit to the public. What would be of real value to the policyholder, he thought, would be: (1) a combining of coverages into broader forms where many gaps would be filled, additional perils insured against and (2) a simplification in rating and handling to effect expense savings which would be reflected in lower premium costs. The only solution to his problem, it seemed, would be to accept the new opportunities offered by these developments in the business and to bring out a real multiple line policy.

By April, 1948, Mr. Gentry had developed the form and rating plan for the first manufacturer's output policy. It was written for an old assured, an automobile manufacturer. The policy combined fire, marine, automobile and burglary and theft coverage for the manufacturer's raw material, his product being processed elsewhere, or the finished product in storage or in transit. It covered physical damage for all his personal property anywhere in the United States, except on his own manufacturing premises. Vice-president Edward I. Taylor had filed the plan in the various states concerned and the reporting cover department handled other details, such as issuing endorsements. The policy is now written to cover more than 20 industries, including automobile tires, business machines, cigarettes, corn products, electronics and heating appliance manufacturers. The coverage is now written in 32 states, the District of Columbia and Hawaii.

To keep pace with the development of the output business, Mr. Gentry was called to Hartford last September to head the newly-formed multiple peril department. His chief assistant is Assistant Secretary Robert Bielski, who has been actively engaged during the past two years in producing output business, in addition to his work in the special risks department.

Unfortunately, the form and structure of the existing rating and form bureaus presented a bit of a problem. As Mr. Gentry explains it, "They are not 'geared' to produce parts to fit the new products' (policies) which we believe the new laws give us the 'green light' to produce."

Support Is Gathered

In order to surmount the rating bureau impasse, the Aetna succeeded in gathering the support of a representative group of companies in organizing a new rate and form bureau which is geared to "produce parts to fit the new products which we wish to produce." The new nationwide bureau, set up to rate multiple peril policies at an indivisible rate, is the Multiple Peril Insurance Rating Organization. It is now licensed in 30 states and is managed by Roy C. McCullough, former deputy superintendent of insurance of New York.

The early activities through the new bureau are focused largely on physical damage insurance rather than third party (casualty) coverages because that field presents the greatest need for new policies to meet modern conditions. The immediate attention of the bureau is being applied to the manufacturer's output policy and a broad householder's dwelling policy.

During the coming year the Aetna foresees the necessity for continuing to concentrate on research, as close to consumer level as possible, on the needs for new policies and rating procedures.

Just as no manufacturer can succeed without meeting the changing requirements of the consumer as well as the salesman, neither can an insurance company prosper unless the policies of indemnity are altered and improved to meet the growing demand for more complete protection under ever-increasingly complex situations. To meet some of these demands, e.g., extended coverage endorsement perils, the standard fire policy has been adequate as a means to the desired end. But just as the standard fire policy was found inadequate to meet the demands of the perils now covered by the personal property floater, so is it also inadequate to meet all the demands of business in the multiple peril field.

No company can afford to ignore all that has been learned in the past, but neither can it afford to imitate the ostrich and bury its head in the sand when faced with a difficult problem, thus leaving itself exposed to attack by competitors and vulnerable to justified criticism by agents and assureds.

Two Adjusters Named

American group has named Donald L. Roe a staff adjuster in the western department at Rockford, replacing James A. Garity, who has been appointed staff adjuster at Milwaukee assisting Philip J. Rouse.

Mr. Roe joined American in 1949 in the underwriting department and since 1950 has been an examiner in the loss department. Mr. Garity attended the University of Wisconsin and graduated from American's home office training school.

Lyman A. McIntyre, secretary in the western department of Springfield Fire & Marine, has returned from a month's motor trip with his family. He made business visits in Arkansas and Texas, and then went on to California on a pleasure jaunt.

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ACCIDENT AND HEALTH

Harvey Quigley Shifts to Mo. for Mutual Benefit

Harvey D. Quigley, who has been supervisor for the Brovan agency of Mutual Benefit H. & A. at San Francisco, has been appointed manager for Mutual Benefit H. & A., United Benefit Life and United Benefit Fire at St. Joseph, Mo.

Mr. Quigley has been in the insurance business in California for 30 years. He was a life insurance salesman and manager before going with Mutual Benefit. He has operated his own general insurance agency for fire, automobile and other casualty lines during this time.

He was the first president of San Francisco A. & H. Underwriters Assn. and was one of its organizers. He has been a member of the executive board of International Assn. of A. & H. Underwriters for three years.

H. D. Quigley

Bankers Life of Nebraska Will Enter A. & H. Field

Bankers Life of Nebraska will enter the A. & H. field, President H. S. Wilson announced at its convention in Estes Park. No definite date has been set and Mr. Nelson said that much planning and preparation would be required before the company would be in a position to issue its first policies.

E. S. Wescott has been named director of A. & H. sales. He has been with the company since 1937. In 1938 he was named advertising manager and later served as agency assistant and director of sales promotion.

Reliance L. & C. Is Fined

Reliance Life & Casualty of Phoenix has been found guilty of illegally engaging in business in Illinois after Director Day filed suit against the concern last October. Judge Roberts of Cook county circuit court entered an injunction prohibiting the company from doing further insurance business in the state and fined it \$100.

Operations of this company first came to the attention of the department in June, 1951. Later a company representative was found guilty of soliciting insurance for Reliance L. & C.

C. P. Gish in New Post

Charles P. Gish has been appointed associate agency vice-president of World of Omaha. Mr. Gish, who has over 20 years of insurance experience, was personal producer, agency supervisor, district office manager and associate general agent with Aetna Life. He joined Guaranteed Mutual Life, serving for three years there as director of agencies. Before joining World he was regional sales director for Franklin Life.

He is past president of five different

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life, A. & H. and general agents' and manager associations. He served on the committee which created the seal which is now used by International Assn. of A. & H. Underwriters.

Issue Rules in Cal. to Replace "Brief Description"

Commissioner Maloney is notifying disability writing companies in California of modifications for policies in setting forth the terms of renewability and cancelability and use of a flexible grace period.

Complying with the suggestion of some companies that inasmuch as the "brief description" formerly required is no longer required under the 1951 standard provisions law, he has set forth substitutes to bring the terms of renewability and cancelability to the attention of insured. They are:

The terms of renewability (or non-renewability) are set forth in a separate provision captioned in type of the same size and prominence as the benefit provisions;

Such a separate provision is on the face page of the policy immediately following either the consideration or insurance clauses;

If the policy is cancelable, that fact is referred to in the renewable provision by a specific cross-reference to the cancellation provision;

If the policy is not both guaranteed renewable and non-cancelable, such caption must accurately describe the terms or renewability or non-renewability;

If the policy is cancelable during its term, the optional standard provision on cancellation as set forth in the insurance code, must be stated as a separate provision.

Donate to Children's Camp

Indiana Assn. of A. & H. Underwriters has contributed \$300 for the equipment of Settlement Camp, Inc., an Indianapolis social agency camp for underprivileged children.

At the August meeting, the group will have a number of guests from the agency ranks of life companies which have recently entered the A. & H. field.

The John B. Lambert & Associates agency of Mutual Benefit H. & A. and United Benefit Life at Cleveland has named Robert F. Kelly as assistant manager.

CHANGES

B. C. Dahlmann Succeeds Bennett in Kemper Unit

B. C. Dahlmann has been elected vice-president of American Farmers Mutual and will be senior officer in the executive offices at Decatur, Ill. This company is one of the Kemper group.

Mr. Dahlmann has been resident vice-president of Lumbermens Mutual Casualty at Toronto and manager of the Kemper Canadian department since 1947. He succeeds L. J. Bennett, who has been with American Farmers since shortly after leaving Farm Bureau Mutual of Ohio.

Mr. Dahlmann is a graduate of Northwestern University. He started in Lumbermens' statistical department in 1928. He later became head of the accounting and statistical department of National Retailers Mutual. He was transferred to Canada in 1936, and was appointed production manager there in 1945.

Hartford Accident Ups Two

Harold A. Thiemann and Howard S. Moore have been named assistant supervising engineers in the home office engineering department of Hartford Accident.

Mr. Thiemann joined the company in

1938 as a member of the engineering staff at St. Louis. In 1942 he was transferred to Paducah to service government ordnance installations insured by the company for contract operators. In 1946 he transferred to Detroit and two years later went to the home office.

Mr. Moore joined the company in 1934 in the burglary department at New York. He subsequently transferred to the engineering department there. In 1950 he was assigned to the home office.

United Pacific Names Three in Home Office Changes

Morris E. Brown, assistant vice-president, has been elected vice-president and appointed home office supervisor of the surety department of United Pacific of Tacoma, and the company has elected two new officers.

Daniel R. Monaghan, home office manager of surety business in the Pacific northwest, has been elected assistant vice-president, and H. R. Carlson is transferred to the home office as assistant treasurer.

Richard P. Griffin has been appointed by Mutual Boiler as manager of the newly formed Middle-Atlantic district, which includes New York, Philadelphia, Baltimore, Washington, and Richmond. District headquarters will be at New York city.

Walter T. Meyler has been advanced to manager of the midwest district with headquarters at Chicago.

Mr. Griffin, a graduate of Duke Uni-

Personnel Chief Named

Paul G. Pitz has been named personnel and training director of American States. He is a past president of Indianapolis Personnel Assn. and has been personnel director of Pitman-Moore Co. for six years.

Mutual Boiler Advances Two

Richard P. Griffin has been appointed by Mutual Boiler as manager of the newly formed Middle-Atlantic district, which includes New York, Philadelphia, Baltimore, Washington, and Richmond. District headquarters will be at New York city.

Walter T. Meyler has been advanced to manager of the midwest district with headquarters at Chicago.

Mr. Griffin, a graduate of Duke Uni-



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versity, joined the company in 1938, was assigned to New York as a sales representative in 1941 and has been New York-Philadelphia district sales manager since 1948.

Mr. Meyler started with the company in 1948 as resident manager at Detroit, after 23 years of experience in the boiler and machinery field. He had been promoted only recently to serve as district sales manager in the Chicago area.

New Claim Office at L. A.

Fidelity & Deposit has opened a new claim office at Los Angeles. R. Elliott Davis is manager, with Maurice C. Edgings as his assistant. Mr. Davis has been with F. & D. at New York for 25 years.

COMPENSATION

Rehearings in Okla. Death Benefit Cases Are Denied

OKLAHOMA CITY—The Oklahoma supreme court has denied petitions for rehearing in two cases involving the Oklahoma \$13,500 workmen's compensation death benefit law. The two cases are Capitol Steel & Iron Co., et al., vs. Fuller and mid-continent Petroleum Corp., vs. Mullen, et al.

In the two cases, the high court vacated awards made by the industrial commission because such awards were made in accordance with the legislative definition of "heirs at law" instead of what the court ruled are actual dependents.

The court said that benefits under the law should go to heirs at law who are

dependents, and that awards following the law of descent and distribution to those thus defined by the legislature as dependents, are invalid.

Ask Earlier W. C. Increase in Texas

The Texas board of commissioners, at a special meeting called "to consider serious conditions" which are affecting workmen's compensation insurance, heard a recommendation that rates be increased in November of this year rather than in February, 1953, with the new rates taking account of experience through the first six months of 1952.

C. E. Archibald, manager of an association of local companies and head of a committee which has worked as a liaison between these companies and National Council on Compensation Insurance, said that his companies wrote 56% of the business in Texas and had a loss ratio of 71.9%.

William Leslie, Jr., representing the National Council, seconded Mr. Archibald on his points, saying he was not surprised that the companies want a rate increase of 17.2% for new and renewal business and outstanding policies.

Grady Greathouse of Texas Employers of Dallas, mentioning the causes of unfavorable experience, said the courts are rendering larger judgments and claims are now paid on accidents while the workman is on his way to or from work.

The commissioners were told that the companies had not asked for the conference in order to raise the rates immediately, but to change the date of

hearing on the proposed increase so that the rates would include the most recent calendar year with the first half of the current year.

All three Texas commissioners were on hand, with George Butler, chairman, presiding.

Minn. Compensation Board Upholds 1950 Rate Increase

ST. PAUL—Facts and reasoning used in reaching its Nov. 22, 1950, compensation insurance rate order were sound, Minnesota compensation insurance board says in a supplementary report issued in response to a request of the Minnesota supreme court.

The 1950 order increasing 1951 rates 8.2% was attacked in the courts by employer groups and after the lower court had upheld the rates the employers appealed to the supreme court which on May 6 rejected the 1951 rate increase on the ground that it was not arrived at properly. Heeding the request of the high court for a fuller explanation the board has now issued its supplementary report reaffirming its previous action.

In fact, the board says, insurance companies operating in Minnesota are sustaining "a substantial loss on 1951 business" despite the 8.2% rate increase.

"With all due respect, it is believed that the court did not have the entire picture before it," the supplementary report says. Pointing out that rates are fixed in advance and based on trends as shown in experience, the board added: "Consequently it is humanly impossible to arrive at a mathematically correct result. The board considered all the elements entering into the underlying factors on which the 1951 rates were based, then used its best judgment as to the weight to be given each factor to arrive at the rate that in their judgment seemed reasonable and fair."

Employers had criticized the 61-39 loss-cost ratio, claiming that it had resulted in overcharges of millions of dollars by the insurance companies. In reply the board said that figures from companies show that as of May 9, 1952, the 1951 loss ratio was actually 72.4% and expense 38.2% before taxes.

Montana Proposal Fails

An initiative proposal to revise Montana's workmen's compensation act to include occupational disease and generally increase benefits failed to obtain sufficient signatures to qualify for a place on the November ballot.

The proposal was strongly opposed by employer organizations and some labor groups on the grounds that its terms were so radical as to threaten the welfare of both employers and labor.

SURETY

Big Contracts Awarded by Navy, U. of California

The navy has awarded these contracts on the Pacific Coast:

Allison Honer and Cox Bros. Construction Co. jointly for expansion of field training facilities at Camp Pulgas at \$2,941,000. Seaboard Surety for Honer and Great American, through Wren & Van Alen, for Cox Bros. are on the bonds.

M. H. Golden Construction Co., San Diego, for instruction facilities at the fleet air defense training center, San Diego, \$1,054,434. Pacific Indemnity is on the bond.

Peter Kiewitt Sons Co., Arcadia, and Fred J. Early, Jr., Torrance, for marine barracks in Camp Pendleton at \$2,920,876. Aetna Casualty for Kiewitt and Fidelity & Casualty for Early are on the bonds.

Allison Honer and Cox Bros. Construction Co. for expanding field training facilities at Camp San Matio, at

\$3,243,743. Seaboard Surety and Great American are on the bonds.

Regents of the University of California have awarded a contract to the Allison Honer Co. for construction of the social sciences and humanities building on the Riverside, Cal., campus, at \$1,045,263. Seaboard Surety is on the bond. Brunzell Construction Co., Culver City, gets a contract for construction of the physical education building on the same campus at \$1,091,409. United Pacific is on the bond.

Big Shortage in Tenn.

CLEVELAND, TENN.—State Comptroller Cedric Hunt, following a complete audit by state auditors, has certified to officials of Bradley county a shortage of \$441,765 in accounts of H. L. Million, former trustee, between Sept. 1, 1940, and Aug. 31, 1946, said to be the largest similar shortage ever discovered in the state. Lee Maples, who succeeded him in office, was implicated with Million, who died recently in Florida.

The Chattanooga Times reports that numerous prominent citizens of Cleveland and Bradley county are listed as having signed bonds for the two men and points out that they are now individually and collectively liable for the entire amount of the shortage.

Coast Management Institute Has 73 Agents Attending

Seventy-three agents participated at students at the advanced agency management institute at Stanford University.

At the final "class" the graduating students were admonished by Robert E. Battles, president of California Assn. of Insurance Agents, which sponsors the institute, that "you are the public relations of the insurance industry" and that producers cannot expect miracles from advertising often connected with public relations. President Battles also stressed that agents must represent only the best companies—in a positive manner; agents should decline accounts which they are not geared to service properly. In this category he placed certain large lines and geographically extended accounts which not all agents are equipped to serve. Agents should thoroughly analyze the client's needs to provide complete protection and not try merely to sell certain policies. He also said every agent should subscribe to several of the leading insurance publications.

Richard E. Farrer, secretary of National Fire, was institute coordinator and was the first lecturer, on methods of evaluating the worth of an agency to arrive at a purchase or sale price.

The students were informed of the legal conditions of which the agent must be aware by John Bolton, Los Angeles attorney, who suggested that they carry errors and omissions insurance for their own protection. Work simplification in an agency was discussed by Lucien Mather, assistant supervisor of sales for Remington-Rand at Los Angeles. Lorin Torrey, tax specialist, explained current tax laws as they apply to agency expenses; aggressive selling was described by W. B. McWhirter, San Francisco manager for International Business Machines Corp. Herbert Kirschner, advertising agency head, gave some ideas on media for agency advertising and Waldo Marra, San Francisco expert on business letters, discussed the importance of correspondence.

Now D. J. Scott & Son

D. J. Scott, independent adjuster at Youngstown, O., has changed the firm name to D. J. Scott & Son with the addition to the firm of his son, Drexel A. Scott, who has just graduated from Purdue University. Before that Drexel A. Scott was in the Korean war.

Web C. Brown, local agent, has been reelected chairman of the Chattanooga-Hamilton County Planning Commission.

July 17,

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CONSULTANTS AND INTERMEDIARIES

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CASUALTY • SURETY • FIRE • MARINE

Stimulating Talk on How Agent Can Make More Sales

The talk on the three S's of salesmanship given by William W. Ellis, field supervisor of Aetna Casualty, at the meeting of New England Assns. of Insurance Agents made a real hit. The three S's are: Say it in English, serve a sales meal for two, and finally, say "buy" before "bye."

The old refrain that if a salesman sees enough people the law of averages will take care of him is based on a sound principle, that of sufficient exposure to sales, but it always seemed to Mr. Ellis a little pathetic—as though the law of averages were some sort of Congressional act passed to take care of salesmen. It is simply not enough to see and call upon a large number of people each week. It is not a measure of sales efficiency. The ratio of sales to interviews is more indicative of ability. No salesman is too effective not continually to be concerned with how well he is selling.

Don't Spouse the Prospect

Say it in English, Mr. Ellis advised. An agent with whom he once was making a sales call to try to get an order for comprehensive personal liability, wanted to tell a prospect who all was covered under the policy. He said, "Mr. Prospect, I want you to know that this policy covers not only yourself, but also your spouse."

This had a very startling effect. Evidently the prospect had never heard the word spouse before. He probably wondered what the agent was talking about.

A little further on in the interview, the agent was describing the property damage feature of the policy. "For example, Mr. Prospect," he said, "if you burn some leaves in your back yard some windy day and the fire spreads to your neighbor's property and damages his house, we want you to know that the policy will protect you against the claim that your neighbor would make." The prospect said he wasn't too concerned because he was sure his neighbor carried adequate fire insurance. Even so, the agent pointed out, there could be a claim against the person who started the fire because the fire insurer would "take subrogation against him." A blank look spread over the prospect's face. The interview resulted in no sale, and the reason is pretty obvious.

Use Prospect's Vocabulary

The temptation is always strong to use words which are familiar to the user but not so to the listener. It is said that the average citizen has about an 800 word vocabulary, and Mr. Ellis believes it can be assumed that such insurance terms as reimbursement, principal sum, defalcation, spouse, indemnify and coinsurance are not to be found in that vocabulary.

In the sale of an accident policy the prospect is not very intrigued with the fact that should he be unfortunate enough to be killed in an accident his wife will receive a substantial principal sum. He is apt to be more interested in the fact that if such an event occurs his wife will receive a check for \$10,000 within a few days following his death. This will provide an emergency fund for her which would make her life easier.

In selling a fidelity bond it is not at all necessary to talk about the risk of an employee misappropriating funds, or about the chances of defalcation. The prospect will better understand what the agent is selling if he will merely state that the bond or policy is designed to insure him against loss resulting from the dishonest acts of his employees.

Use of a technical vocabulary constitutes a common, sad error in the art of salesmanship. The agent who has been guilty of such a practice should remind himself to say it in English before he makes his next call.

As to serving a sales meal for two, in any sales presentation it is essential

to serve up the various advantages of the product to the prospect in as attractive a manner as possible. The proprietor of a successful restaurant is very conscious of this, and a great deal of his success is attractiveness of his dishes and the way they are served. Since the average sales presentation is made to one person, not to two or more, what does a sales meal for two mean?

What Mr. Ellis wanted to make clear here is the dual nature of every prospect; he is in a sense two persons. To make his point, he designated Henry as the name of the prospect the individual agent sees and talks to. His alter ego is Harvey, who is also present at the interview, unseen but wielding great influence. Henry is the mind and Harvey the heart of the prospect. Many sales authorities agree that Harvey wields at least 60% of the influence in deciding to buy or not to buy.

Remember the Heart Interest

Henry is interested in sales logic. He is impressed by logical buying reasons. For example, an effective sales device in selling accident insurance is to ask the prospect, in this case Henry, if he carried adequate fire insurance on his home. Invariably he will say yes, and having nailed him down, the agent asks what made his home possible. The only logical answer is, his income, his earning ability. The agent then inquires, "Henry, if you are convinced it is wise to insure the product of your earning power, isn't it entirely logical to insure your income which made your home possible?"

On the basis of logic, Henry must now buy the accident policy. When he doesn't, the agent wonders how Henry escaped. It is because he overlooked Harvey, who is always consulted before the decision to buy or not to buy.

Harvey is hungry for recognition. If Henry has just been elected president of his Rotary Club, Harvey is going to feel hurt if that isn't mentioned. If Henry is a vice-president and he is referred to as assistant secretary, Harvey will be perturbed.

Adequate to All Situations

One sad mistake in selling is to assume the prospect is going to have difficulty with the premium. Perhaps he will, but Harvey doesn't want the agent to mention it to Henry. Harvey wants Henry to appear adequate in any situation, and the implication by the salesman of any inadequacy on Henry's part is apt to make Harvey turn thumbs down. Salesmen who are thoughtful, courteous, conscious of the feeling of others are generally most successful.

Mr. Ellis noted that there are very few prospects who do not feel compelled to justify their purchases to someone. The treasurer of a corporation has to justify his actions to his president or board. An individual may have someone at home to whom he must explain why he bought a certain product. If the salesman fails to supply the means of justification, Harvey may be disappointed. He may be looking for a reason which he can take home to his wife. He may be looking for an idea or two that will justify the purchase to his directors.

Mr. Ellis thinks agents should be very conscious of this tendency to rationalize and be prepared with buying reasons which will apply not only to Henry but which Henry and Harvey can use to explain the purchase to others.

An Answer for His Wife

In accident insurance, the prospect will find the medical reimbursement feature of tremendous value not only for himself but for his wife. For example, when he is taken to the hospital in an ambulance, his wife will have enough trouble without having to worry about the bills that will come in from the

hospital, doctors and nurses. Mr. Ellis thinks the agent should make that point very strong because it will give the prospect something to talk about when he gets home and when his wife asks why he spent \$75 for an accident policy instead of a new evening gown for her.

It is a sad thing to see a salesman make a clear, persuasive presentation and then fail to close. It seems a simple thing to do, to ask the prospect to buy, yet if there is any one trouble salesmen in general have, it is the inability to close. Only one prospect in 100 is a self-closer—the agent must ask the prospect to buy in 99 cases out of 100. How often has the prospect said, after a presentation, "Mr. Agent, you have convinced me. Where is the application and where is your fountain pen? I want to buy your policy." Mr. Ellis said this had happened to him so rarely that when it did, he thought there was something wrong with the prospect. He wasn't normal. A prospect may be well-sold but he wants to be urged to buy.

Wants to Be Coaxed

There is probably a psychological explanation for this, Mr. Ellis said. The average prospect does not close his own sale because it lowers his ego. He is afraid the salesman will think he is an

easy mark. It makes him feel more important to delay the final step in the sale until he has been urged. Also, a great many prospects have difficulty in making decisions, many of them any kind of decision. They need the help of others to make up their minds for them, and they appreciate it. Obviously there is no alternative but for the agent to resolve that he will close each sale.

One agent Mr. Ellis knows says at the end of the interview, "Henry, I have told you all about our proposition. I know you need it. You know you need it. For heaven's sake, buy it." He is a successful salesman. There are other methods, perhaps more subtle, such as closing a sale by offering a choice on some minor feature in the product or service. For example, on an automobile policy, when the agent has described the medical payment feature, it is easy and natural to say, "Well, Henry, I gather you feel this feature is a desirable one, and while I have been illustrating by using a limit of \$1,000 per person, I would feel very badly if I left you with the impression that you cannot buy more. In these days of tremendously high hospital and medical costs you may feel that \$2,000 is more advisable. It will only cost you a few dollars more. Which do you feel would be the best for you?"



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hundreds of
new prospects
to your office

TRIPMASTER POLICY

Everybody is your prospect for this trip policy because everybody travels sometime. World-wide ALL-accident coverage 24 hours a day. Policies issued for any period from 3 days to 6 months. Two benefits: Death & Dismemberment (\$5000 to \$25,000) and Accident Medical Expense (\$250 to \$1,250). Premiums start at \$1.10 for a 3-day trip.

POLIO AND DREAD DISEASE POLICY

\$5,000 Blanket Medical Expense for POLIO and Scarlet Fever, Leukemia, Small Pox, Encephalitis, Tetanus, Diphtheria, and Spinal Meningitis. Family premium is only \$10.00 for one year; \$17.50 for two years; \$25.00 for three years.



Full Commercial A. & H.
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Disease policies.



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American Casualty Company

DEPARTMENT A

READING, PENNSYLVANIA

Plan Okla. District Meetings

OKLAHOMA CITY—The executive committee of Oklahoma Assn. of Insurance Agents has decided to hold 19 district meetings between Sept. 1 and the end of November. Discussions in the various districts will center on legislation and casualty rating problems.

Committee chairmen were announced by Tom Weaver, association manager, to include Foster T. Boggs, Tulsa, casualty conference; J. J. Quinn, Bartlesville, fire conference; Philip V. Viles, legislative; Kent W. Johnson, Alva, public

relations; Clyde V. McMasters, Sapulpa, education; Walter Geis, Cherokee, rural agents committee.

Cravey Issues Warning

Prompted by reports that agents in south Georgia had been getting hail insurance on growing crops from unlicensed subagents, Commissioner Cravey of Georgia has issued a warning against engaging in such practices. He observed that it is illegal for anyone to solicit insurance without a license and that agents who get business from unlicensed solicitors are demeaning their calling and engaging in practices that often lead to rebating. He said that the agents who have been doing this are to blame, and also the companies that are represented in these agencies.

Name New Jersey Nominators

A nominating committee to recommend a slate of officers to head New Jersey Assn. of Insurance Agents was named at the monthly meeting of the executive committee. Alfred C. Sinn, Clifton, heads the nominators. Other members are Joel Harrison, Kearny; Daniel F. Waters, Atlantic City; Spencer Maben, Summit, and Francis Tyrell. Election of officers will take place during the annual convention in Atlantic City Sept. 10-12.

Lapeer Still in Limelight

LANSING, MICH.—Another grand jury investigation of the Lapeer Farmers Mutual receivership was suggested

Heads Buyer Group

Burton E. Kelley, the new president of the New York chapter of National Insurance Buyers Assn., began his insurance career with National of Hartford in 1928 in underwriting. After a short time with Electric Bond & Share in 1929, he returned to National in 1930 as an underwriter in the public utility department. After two years, he transferred to the brokerage division, where he spent three years.

In 1933 he joined Penn-Western Service Corp. as insurance manager. He was insurance manager of Best Foods, Inc., 1940-44, and after a year with Royal-Liverpool spent a short time with S. B. Penick Co. He went with Ebasco Services, Inc., in 1946 and has been there since.

Mr. Kelley has named R. H. Cone of Robert Gair Co., New York, chairman of the chapter program committee.



B. E. Kelley

by Governor Williams after Mrs. Elizabeth Stevens, who had refused to pay a small assessment on her property, was forcibly evicted from the farm, purchased some time ago at a court approved sale by Mrs. Grace White, La- peer attorney.

Commissioner Navarre had recommended that Mrs. White be asked to sell back the auctioned properties for her original investment, plus a 6% profit, but this proposal, relayed by the governor, was rejected. The commissioner since has indicated he would take no further part in the proceedings.

Two Ga. Districts Elect

Ed R. Langford, Caldwell & Langford, Thomasville, was elected chairman of the 10th District Assn. of Georgia Assn. of Insurance Agents at a meeting at Moultrie. Edward H. Copeland, Walden & Kirkland, Albany, was elected vice-chairman, and Lou Alice Page, Hand agency, Pelham, secretary.

At a meeting the same day at Lake Blackshear, the 7th District Assn. elected John S. Johnson, Ashburn, chairman; Tommy Hooks, Americus, vice-chairman, and Martha B. Jenkins, Ashburn, secretary.

W. H. Davidson, manager fire division of General Adjustment Bureau, Atlanta, and Geo. DuR. Fairleigh, executive secretary of the association, addressed both groups.

Kentucky Bulletin on Tags

C. S. Gardner, president of Kentucky Assn. of Insurance Agents, in a bulletin to members said the Kentucky department is having a very bad experience with delay by agents in clearing up tags. The situation is so bad that the department will be forced to require agents and/or field men to go to Frankfort and answer charges as to why tags have not been corrected, and indicated that unless the situation changes, it may be forced to suspend or revoke some agents' licenses.

Anger Wash. Surplus Line Head

W. Robert Anger, manager at Seattle for Sayre & Toso, was elected chairman of Surplus Line Assn. of Washington at the annual meeting at Seattle. He succeeds Thomas Telfer, D. K. MacDonald & Co. H. D. Gregg, Seattle manager for Edward Brown & Sons, was elected secretary. Elected to the executive committee were H. T. Hansen, Hansen & Rowland; G. A. O'Sullivan, Landis, Pelletier & Parrish; James E. Moore, W. B. Brandt & Co.; Robert E. Moloney, Groninger Co.

Premiums of \$2,210,171 were reported through the association office for the fiscal year ending May 31. This compares with \$1,698,087 for the previous fiscal year.

The Martin Bros. & Co. agency of Omaha has been dissolved, and the

senior member, Edward R. Heflin, and his son, Philip E. Heflin, have withdrawn and established the Heflin agency in the Aquilla Court building. The other members of the Martin agency will continue in the agency business.

Al W. Gilbert, manager of Pacific Fire Rating Bureau, is addressing a luncheon meeting Thursday of Oakland Assn. of Insurance Agents.



Participating in the conference of companies and agents at Chicago: Russell D. Hobbs, manager of Western Actuarial Bureau; M. Frank McCaffrey, Byrnes-McCaffrey, Detroit, and Frank L. Ludington, western manager of Atlas.

When you
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**MEDICAL PAYMENTS**

Most buyers of automobile insurance want the Medical Payments coverage included in their policy when you offer it to them. The volume of such business now being written proves its popularity. Mounting loss ratios show the real need for it.

Yet relatively few of your insureds know that this protection can be extended to other members of their family when riding in or driving cars they do not own. "Shelby" agents find it pays to explain this extension of coverage.

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Insurance Since 1880

America's Oldest
MULTIPLE LINE
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Salutes 1752
200 YEAR OLD
Mutual FIRE Insurance 1952

July 17, 1952

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Auto Rate Raises Made in Five States

(CONTINUED FROM PAGE 17)

old rate of \$37 for Burlington and \$38 for Rutland. For class 2 these territories have a rate of \$84 as against an old rate of \$55 in Burlington and \$59 in Rutland. For class 3 the new rate is \$73 as against \$48 and \$52.

In Idaho, the private passenger increases range from \$4.50 to \$12.50 and for commercial cars from \$6 to \$28.

In Boise, the class 1 rate is \$32, increase \$6.50; class 2, \$52, increase \$12.50; class 3, \$45, increase \$10.50.

Leslie Quotation

The William Leslie quotation is the same for each state except that there are inserted the appropriate automobile accident statistics for the individual state. The statement is given below for Missouri as an illustration.

"The rate increases are made necessary by mounting accident frequency and increasing claim costs. As to the latter, there has been a steady upward rise in the average cost of claims with no evidence of any apparent leveling off in the foreseeable future. Claims settled in 1951, for instance, were 70% above the 1941 level for bodily injury, and 150% above for property damage.

"This adverse trend in automobile liability experience is the result of the economic inflationary spiralling, the effects of which are continuing to inflate the cost of automobile liability claims. Despite the continued rise that has taken place in the last few years in automobile liability rates, it is still a fact that such rates have not increased as rapidly or to the same degree as the increases in the cost of practically everything that affects such rates. A new automobile, for instance, costs approximately 136% more than it did in 1939, repair costs are up 134%, and hospital costs 135%. Add to all of this the shocking increase in the frequency of motor vehicle accidents and the steady upward trend of court and jury awards in liability cases, and you have a general explanation of why insurance companies require higher premiums for protecting motorists against the disastrous economic results of their automobile accidents in these days.

"Automobile accidents continue to increase. According to reports from the Missouri State Highway Patrol, 11,834 men, women and children were killed or injured in Missouri during 1951 as compared with 10,388 during 1950, an increase of 14 percent. Also, there were 15,252 automobile accidents in the state in 1951, compared with 13,294 in 1950, an increase of 15 percent.

Up to the Motorist

"Out of all of this there emerges one fact that should have a very sobering effect on all motorists and their driving habits. It is simply that automobile liability insurance rates don't have to rise if the motorists themselves don't want them to. No amount of inflation can affect the accident that doesn't happen. Neither court nor jury can hand down an excessive award for the liability claim that doesn't exist. And exorbitant repair costs can't possibly be charged against the car that isn't damaged. So it all boils down to sane driving and fewer accidents.

"The insurance companies don't like to have to seek higher rates. They would prefer it if they could keep rates down, because that would mean fewer accidents and fewer claims to be affected by inflationary costs. Proof of this is quickly found in the fact that since 1946, when rates began to rise, the stock companies' underwriting losses for automobile liability insurance have reached a total \$200 million. In 1951, when stock company losses amounted to \$100 million, accidents caused by insured motorists cost the companies that much more money in incurred losses and expenses than they received in premiums for automobile liability insurance. However, the companies will

welcome the opportunity to reduce rates whenever and wherever improved experience permits them to do so."

In Delaware private passenger rates that is now \$39 represents an increase of \$5, \$27 up \$3, \$65 up \$9. Commercial car rate that is now \$61 is up \$5, \$34 up \$1, \$72 up \$4.

HEARING IN KENTUCKY

A hearing was held in Kentucky on the automobile rate increase filing of National Bureau of Casualty Underwriters under the new amendment to the rating law, providing for public hearings on rate filings.

The bureau filing in Kentucky provides for an average increase of 13.2% for private passenger B.I. and 3.2% for commercial B.I., and a 40% increase for both private passenger and commercial P.D.L.

William Leslie, general manager of National Bureau, spoke in behalf of the filings while Stanley B. Mayer, representing Louisville Automobile Club and Blue Grass Automobile Club of Lexington opposed the increase on both Club and Blue Grass Automobile said the new filing does little more than overcome the reductions that were made in Kentucky during the war years. Taking 100 as the 1940 base, he said, the 1952 cost of living index is 179.7, the price of a new Chevrolet is 215.6, B. I. rates are 100.5 and P. D. L. 69.3.

The filing also provides for an average increase of 36% for excess limits. There is also a filing for 40% increase in general liability rates.

In Louisville the proposed new auto B. I. rate for private passenger cars is 25.5% higher, and that for P. D. L. is 56.7% higher.

* Directors of Fireman's Fund have declared a quarterly dividend of 40c per share payable July 15 to stock of record June 30.

DEATHS

(CONTINUED FROM PAGE 17)

breiter and other officials always made it a practice to discuss their plans with him knowing that he would detect any point of caution that there might be. Even during Mr. Cornelius' illness, Mr. Tuchbreiter made it a practice to have a visit with him at his home each week and to confer with him as he was wont to do at the office.

Mr. Cornelius was the son of Charles F. Cornelius, who was the first cashier of Continental Casualty. M. P. Cornelius joined the company on graduating from law school in 1909. Within two years he became assistant general attorney and six years later general attorney. He was elected a vice-president in 1921, first vice-president in 1930 and president of Continental Casualty in 1937. He asked to be relieved of the duties of president in 1944 and then was elected general counsel of the group. In February, 1951, increasingly ill health compelled him to give up all active responsibility. At that time he was named senior consultant and remained as a director.

HENRY G. HILLEBRECHT, 64, formerly manager of the insurance department of Brown & Williamson Tobacco Co., Louisville, died at his home in Massapequa, N. Y. He retired in 1948, after 15 years with B. & W., and years of insurance experience in the east.

A. C. CHINN, local agent of Lexington, Ky., died at his home there. His agency was established in 1920.

FRED D. STRALEY, 59, partner in Straley & Dembski Insurance Service, Topeka, Kan., died from a heart attack.

MRS. MAURICE M. WALSH, whose husband is president of the Walsh agency at Birmingham, Ala., died from a heart attack in a downtown department store. She was very well known among insurance people.

General American Casualty Expands

General American Casualty of San

Antonio has now absorbed the assets and liabilities of Alamo Casualty and General Lloyds Fire & Casualty, both of San Antonio. The stockholders of the latter companies will be issued stock in General American Casualty, which now has capital and surplus in excess of \$1 million. Assets exceed \$4 million. C. B. Erwin, who has been president of the former companies, has been elected president of General American Casualty. He has been in the insurance business for 30 years, starting as a life insurance salesman at the age of 18. He organized General Lloyds F. & C. in 1948.

General American has purchased a modern office building in San Antonio as its headquarters building, and is



C. B. ERWIN

embarking on an expansion program which includes building up the present agency force of more than 1000 agents in Mississippi, Tennessee, Louisiana, New Mexico and Texas.

Mrs. Puckett Joins S.E.U.A.

Mrs. Isabelle A. Puckett, treasurer of Georgia Assn. of Insurance Agents and assistant secretary of the Atlanta association, has resigned to go with Southeastern Underwriters Assn. as secretary to W. W. Sampson, manager. Mrs. Puckett had been with the agents' group for six years.

Northwestern Mutual Fire is now operating in its new headquarters in the Corrigan Tower, Dallas. The recently completed tower rises 17 stories. The southwestern department is on the 11th floor and occupies approximately 5,000 square feet of floor space.

Anne E. Byrne, secretary of Bellham (Wash.) Assn. of Insurance Agents, is staging an excellent recovery from a serious accident suffered at her home in June. She has been confined to the hospital suffering from severe burns.

K. E. Jones, Salem, O., has taken his brother, Leonard A. Jones, a former solicitor for the agency, into partnership.

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PROBLEM:

"Here's a nice order for something new and unusual in insurance, which my companies cannot write."

"I want to take care of it but how in the world will I handle it?"



ANSWER:

Refer to **A. F. SHAW & CO., INSURANCE EXCHANGE, Chicago, Illinois**
For satisfactory solution of your problems.

ALL FORMS OF INSURANCE WRITTEN BY
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Inquiries invited from Agents and Brokers for types of insurance of a Special Character, not easily obtainable from regular Licensed Insurers.

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Conn. Agents Polled on Auto Placement Problem

Connecticut Assn. of Insurance Agents is conducting a survey among the members on automobile insurance placement. The questionnaire is a copy of that used by Greater New York Insurance Brokers Assn., asking among other things, how long a member has been writing auto liability insurance, whether any company has terminated

his accounts and, if so, for what reasons; whether the agent has had difficulty in placing insurance because of age of car, age of operator, use of car or accident experience, whether the agent has been required to accept limits lower than what were wanted; whether the agent has tried to secure new sources for placement of business; whether other business has been demanded as a condition for writing automobile; what percentage of declinations has the agent placed in the assigned risk plan and

how many of these in the opinion of the agent were good risks, how many were surcharged because of normal claims experience and how many requested higher than statutory limits.

Also were there any of the assigned risks where the insured had been required to pay excess losses themselves because they could not get sufficient limits? Whether the agent has been requested to consider a reduction in commissions. Whether the agent has charged fees on assigned risks.

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Conn. FR Law Brings Deluge of New Business

Under the new Connecticut automobile financial responsibility law which has just gone into effect and which is bringing a deluge of new business, there is a question that does not arise in other states, as to whether under the judgment feature of the law an insured motorist might be subject to all the penalties for failure to satisfy a judgment of any size. In other states, insured is required merely to handle judgments up to limits of \$5/10 or \$10/20. In Connecticut, however, due to what was apparently an oversight in telescoping the new financial responsibility law and the old one, the possibility exists that a motorist theoretically would have to have sky-high limits of automobile coverage in order to be absolutely certain of not running afoul of the penalties of the law. Such a result was not intended by anyone, it is believed, and there will undoubtedly be an attempt made at the next session of the legislature to secure an amendment that will make stated limits of coverage suffice for purposes of complying with the requirements of the law.

Change in Texas Procedure

On incorrectly written dwelling and household goods daily reports (except farm property), where the amount of insurance involved is \$7,500 or less, Texas Insurance Checking Office will no longer issue formal "suggestion slips." Instead, such items will be returned to the agent or other writing office with a memorandum attached, asking for correction and prompt return to the Checking Office.

In other states where this plan has been adopted it has proved to be of considerable help in eliminating many of the costly details in handling these smaller premium lines. In many instances, especially where renewals have not been delivered, the necessity of making endorsements is avoided by merely correcting the policy and all copies of daily reports before delivery is made to the insured.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago
July 15, 1932

	Div.	Bid	Asked
Aetna Casualty	3.00	98	100
Aetna Fire	2.25*	56 1/2	58
Aetna Life	2.50*	98	100
American Alliance	1.50*	33 1/2	35
American Equitable	1.50	28 1/2	30
American Auto	2.00	42	44
American (N. J.)	1.00	25	26
American Surety	3.00	50	52
Boston	2.60*	68	70
Camden Fire	1.00	22 1/2	23 1/2
Continental Casualty	2.60*	83 1/2	85
Fire Association	2.60	63	65
Fireman's Fund	1.60	58 1/2	60
Fireman's (N. J.)80	27	28
General Reinsurance	1.20	35	36 1/2
Gleens Falls	2.00*	57 1/2	59 1/2
Globe & Republic80	14	15
Great American Fire	1.50*	37	38 1/2
Hanover Fire	1.50	36 3/4	38
Hartford Fire	3.00*	148	151
Home (N. Y.)	1.80	39	40
Ins. Co. of North Am.	1.00	84 1/2	86
Maryland Casualty	1.00	22 1/2	23 1/2
Mass. Bonding	1.60	23	24
National Casualty	1.50*	28	28
National Fire	2.50*	66	67 1/2
National Union	1.80	40 1/2	42
New Amsterdam Cas.	1.56	38	39 1/2
New Hampshire	2.00	43	44 1/2
North River	1.20	29	30 1/2
Ohio Casualty	1.20	65	67
Phoenix, Conn.	3.00*	94	96
Prov. Wash.	1.50*	30	31
St. Paul F. & M.	1.60	34	35 1/2
Security, Conn.	1.60	38	39 1/2
Springfield F. & M.	2.00	50	52
Standard Accident	1.60	36 1/2	38
Travelers	14.00*	670	680
U. S. F. & G.	2.00	55	56 1/2
U. S. Fire	1.40	45	47

*Includes extras.

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July 17, 1932

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Bid	Asked
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42	44
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68	70
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83 1/2	85
63	65
58 1/2	60
27	28
35	36 1/2
57 1/2	59 1/2
14	15
37	38 1/2
36 3/4	38
14 8	15 1
39	40
84 1/2	86
22 1/2	23 1/2
23	24
28	Bid
66	67 1/2
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43	44 1/2
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F A M O U S A M E R I C A N H O M E S



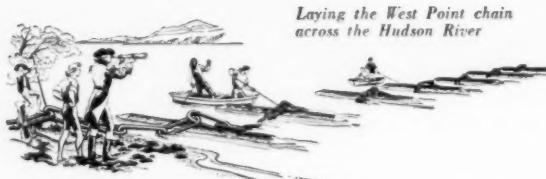
An early iron forge



THE
IRONMASTERS
OF
Ringwood

FROM the mines of Ringwood in northern New Jersey came iron for every American war from the Revolution through the first World War, and some of the country's ablest ironmasters made Ringwood Manor their home. The detailed history of the mines begins in 1764 with the colorful Peter Hasenclever who reputedly employed servants to carry his wife's train and a band to serenade him while he dined. Under his management Ringwood became an important part of the first large-scale development of the iron industry in this country.

Robert Erskine, a later ironmaster, organized a company of militia to protect the iron works when the Revolution started and supplied the continental army with iron in various forms. His most outstanding contribution to the cause was his work as official mapmaker to the army for which post he was recommended by Washington. Associated with Ringwood during Erskine's incumbency were several devices with which attempts were made to prevent the British from coming up the Hudson. Iron



*Laying the West Point chain
across the Hudson River*

for the first chain used to obstruct that waterway came from Ringwood, and it is believed that some of the iron for the West Point chain, the only successful obstruction, was a product of the Ringwood mines.

Ringwood's most celebrated proprietor was Peter Cooper who bought the property in 1853, the year The Home was founded. A man of many talents, he built the famous locomotive Tom Thumb, promoted the first transatlantic cable with Cyrus W. Field, and was a Greenback candidate for President. His partner and son-in-law, Abram S. Hewitt, last of Ringwood's ironmasters, served several terms in Congress and was mayor of New York.

The manor house was built by ironmaster Martin Ryerson after an earlier dwelling was destroyed, probably by fire, in 1807. Now owned by the State of New Jersey, it is open to the public as a museum and contains many items of interest formerly owned by the celebrated Cooper and Hewitt families.

★ THE HOME ★
Insurance Company

Home Office: 59 Maiden Lane, New York 8, N.Y.

FIRE • AUTOMOBILE • MARINE

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